

THE GLOBAL NEWSPAPER  
Printed Simultaneously  
in Paris, London, Zurich  
and Hong Kong

# Herald Tribune

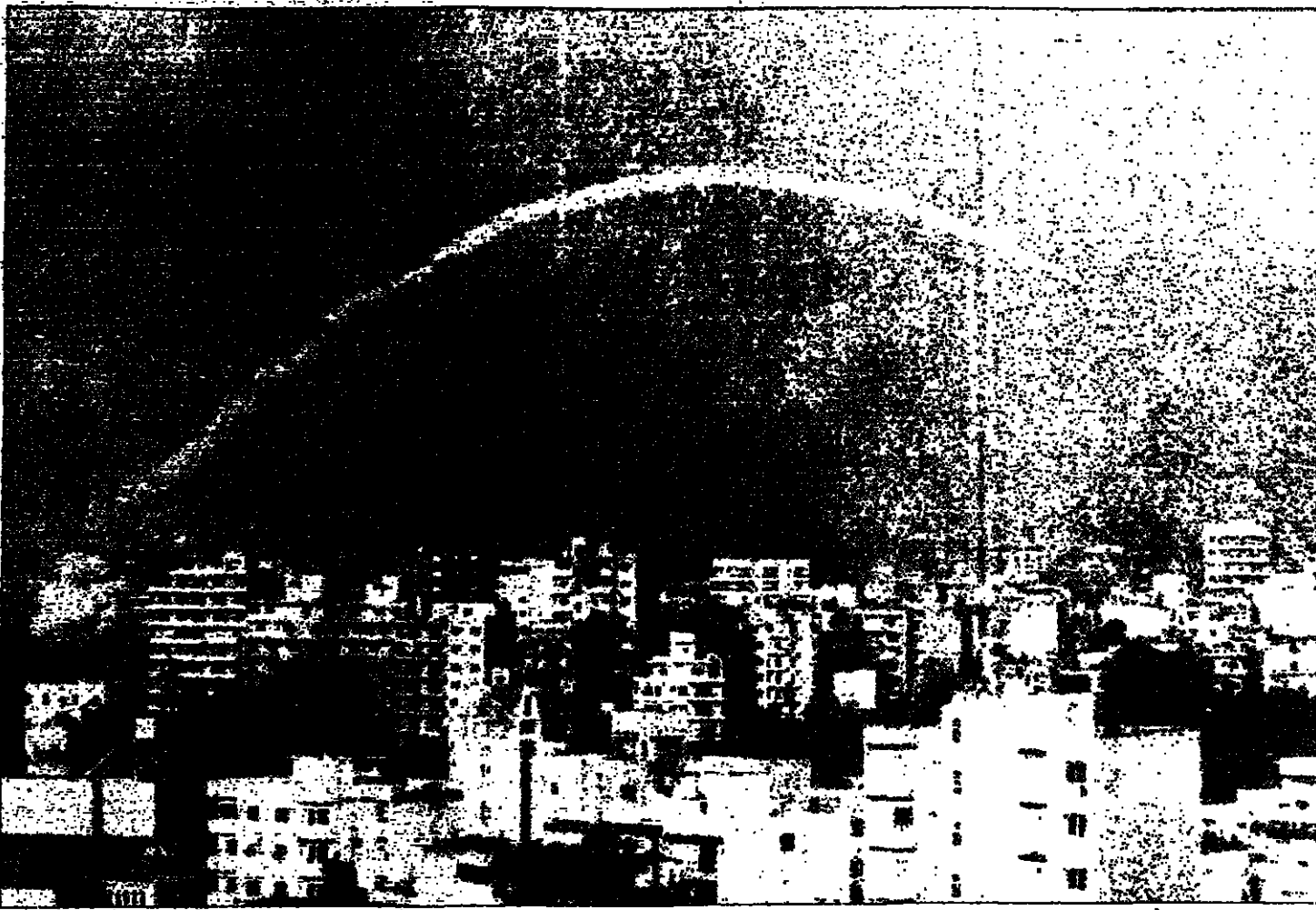
Published With The New York Times and The Washington Post

No. 30,935

LONDON, THURSDAY, AUGUST 5, 1982

ESTABLISHED 1887

## Israelis Renew Heavy Attacks on West Beirut



A rocket fired by PLO forces in West Beirut streaking across the sky Wednesday toward Israeli positions in East Beirut.

**BEIRUT** — Israeli planes bombed West Beirut before sunset Wednesday after tanks closed in on the shrinking enclave of the Palestine Liberation Organization during a day of artillery and gunboat bombardment.

The aerial attacks were limited, Israeli officers said, to prevent any accidental bombing of Israeli armored columns moving up the coast and crossing Beirut's Green Line, which divides Moslem West Beirut, where the PLO is holding out, and Christian-controlled East Beirut.

Police said at least 50 civilians were killed and 130 wounded in West Beirut, where half a million inhabitants have been without electricity, running water and fuel supplies for 10 days.

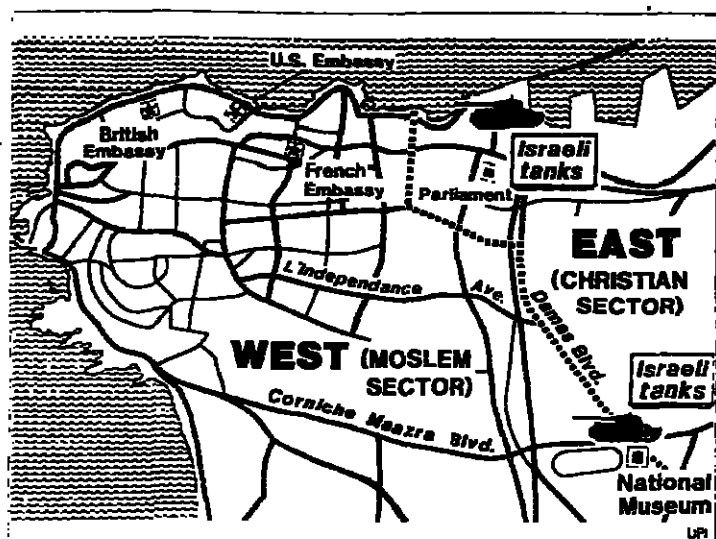
Doctors at the American University Hospital in West Beirut reported 24 persons dead, mostly civilians, and 115 wounded.

**Appeal to U.S.**

President Elias Sarkis appealed to President Reagan to stop "what is happening in Beirut, where innocent civilians are being subjected to mass killing and destruction."

Yasser Arafat, the PLO leader, issued a radio appeal to all able Palestinians to take up arms against "this mighty American-Israeli murderous war machine to defend what is left of your nation's honor unto death, because martyrdom is the key to victory."

A PLO source said a four-point plan had been submitted to Philip C. Habib, U.S. special envoy to the Middle East, by Shafiq al-Wazzan,



the Lebanese premier, to stop the Israeli attack.

The source said the PLO plan called for:

- Deployment of a peacekeeping force at the same time as the departure of the 6,000 to 8,000 PLO guerrillas from Beirut. Until now, the PLO has demanded that the international force be brought in first.
- Permission for PLO fighters to leave with their personal weapons — a request made repeatedly in the past.
- U.S. guarantees to guard them as they withdraw.
- Exit by the Beirut-Damascus highway to Syria.

The new set of negotiating demands also dropped a key demand for the pullback of Israeli forces before the withdrawal began.

Israel has demanded an unconditional withdrawal by the PLO. Lebanon's privately owned radio stations said the fighting in West Beirut had eased after nightfall.

**Across the Green Line**

Preceded by bulldozers to clear out PLO earthworks, a column of Israeli tanks rolled across the Green Line. An Israeli Army spokesman said the armored force carved out 60-by-600-yard salient in the no-man's-land at the central crossing intersection near the National Museum, less than 1.2 miles (two kilometers) from Mr. Arafat's command headquarters.

But PLO communiqués said

guerrilla gunners had set 10 Israeli tanks afire and repulsed repeated enemy attempts to cross into West Beirut from the museum road and capture the Moslem neighborhood of Berbir and its strategic traffic circles.

The United Press International bureau in West Beirut was hit by shellfire from Israeli gunboats and severely damaged by fire Wednesday, UPI correspondents reported. No serious injuries were reported.

Photographers saw three Israeli tanks burning near the Lebanese military court building, about 500 yards (450 meters) west of the area where the Israeli advance was mounted.

The Israelis dynamited the wall of the midcity racetrack abutting the museum crossing intersection and sent tanks and armored personnel carriers through the hole to battle guerrillas for control of the track.

Earlier in the day, units battled toward the PLO stronghold from the north and south, and artillery and gunboats shelled the city from all sides in furious barrages.

The Israeli military command said it had not launched "an all-out attempt at conquering the city" and the attacks were to show Israel "will not play the game by PLO-set rules."

Israeli guns were firing heavily into the crowded civilian district around Hamra Street, the commercial heart of the Moslem sector, for the first time since the siege began, correspondents reported.

The Israeli command said the force at the museum crossing took

(Continued on Page 2, Col. 4)

## August in Paris: Is It 'Social Nonsense'?

Government Tries Again to Divert the Vacation Exodus to Other Months

**By Don Cook**  
*Los Angeles Times Service*

**PARIS** — The barber near the Place Vendôme finished his task the other day with the usual flourish, worthy of Zubin Mehta conducting a Brahms Hungarian Dance. And then he solemnly said, as if disclosing a state secret: "Monsieur, this year I will be in Paris in August."

Normally, finding a barber in Paris in August — or a policeman or a dry cleaner or a dentist — is like stumbling on a water well in Death Valley. For one month, the city is all but deserted, at least by the French, for whom an August vacation is as sacred as *liberté, égalité, fraternité*.

**'Economic Aberration'**

For the stay-behinds, Paris in August can be the most peaceful month of the year — if you don't need a haircut or your car doesn't break down. But not for the government. The lull in the flow of Frenchmen to the sea every August is a matter of serious economic concern.

"It's an economic aberration and a social nonsense," André Henry, leisure minister, said at a recent news conference, as his countrymen were loading their cars for the big exodus. "In France, economic activity drops by 35 percent in August, compared to only 10 percent in West Germany and 1 percent in Japan."

French exports fall as well, by about 25 percent.

When everyone gets back to work in the autumn, Mr. Henry said, the government will launch a major campaign to persuade people and companies to spread 1983 vacations from June to September.

"June is the sunniest month of the year in France," the minister contended, "and we will shortly publish a meteorological study to show this." Furthermore, Paris in August has a touch of autumn cool in the evenings, a good reason to remain in the capital while temperatures soar elsewhere.

This is not the first French government to try to stem the tide, and the task will not be easy, despite the omen of the barber near Place Vendôme. Officials estimate that 800,000 of the 2 million Parisians evacuate the capital each August for the beaches and the countryside.

**Month of Repairs**

For those who stay behind, it means empty boulevards and easy parking. It means English German is as likely to be heard on the Champs-Élysées as French.

While the national government decries the August exodus, the Paris authorities find the month ideal for major street repairs, laying underground lines and other public works. Already, for instance, the city's most fashionable shopping street, the Rue du Faubourg Saint

## Cease-Fire Insisted On By Reagan

Sanctions Considered; PLO Withdrawal Urged

**By Fred Farris**  
*International Herald Tribune*

**WASHINGTON** — Amid White House expressions of "profound concern" at the Israeli attack on West Beirut and hints of possible sanctions, President Reagan told Israel on Wednesday that it was absolutely necessary to adhere to a strict cease-fire to help end the Lebanese crisis. At the same time, he urged the Palestine Liberation Organization to leave Lebanon immediately.

After being briefed Tuesday night and Wednesday on the latest Israeli thrust, Mr. Reagan called his crisis management team to an emergency meeting Wednesday to assess the attack and give him his recommendations.

Administration sources said that "theoretical sanctions" against Israel were being considered, including military, diplomatic and economic penalties. Officials who asked not to be identified said that Mr. Reagan had considered, but then deferred, imposing sanctions against Israel. The Associated Press reported.

The president, who only two days ago stressed to the Israeli foreign minister, Yitzhak Shamir, that "escalating violence" around Beirut must stop, called Wednesday for "sustained maintenance of the cease-fire in place" both to "avoid further civilian casualties and to secure the prompt withdrawal of the [PLO] forces in Beirut."

**Reagan's Statement**

In a statement issued after his senior advisers met for about three hours, Mr. Reagan said: "Through governments which have direct contact with the PLO, I have expressed my strong conviction that the PLO must not delay further its withdrawal from Lebanon."

"At the same time, I have expressed to the government of Israel the absolute necessity of re-establishing and maintaining a strict cease-fire in place so that this matter can be promptly resolved."

This, he said, is "a necessary first step toward our goal of restoring the authority of the government of Lebanon," a goal that he said Philip C. Habib, the special U.S. envoy, "is earnestly working for with the full cooperation of the government of Lebanon."

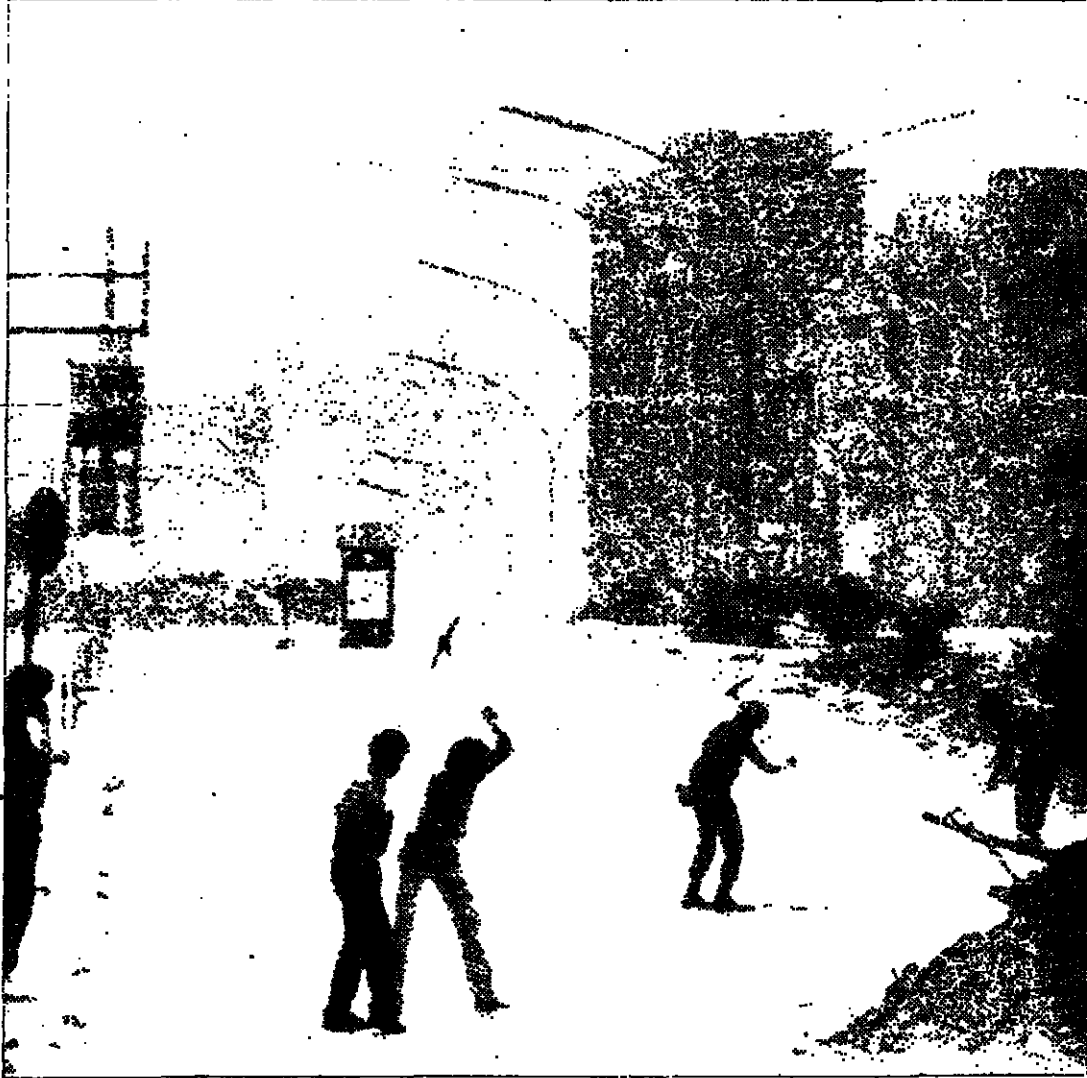
Earlier Wednesday, the deputy White House press secretary, Larry M. Speakes, said: "Our position is that the most recent action [by Israel] cannot be helpful to the peace process. It makes it virtually impossible to conduct diplomatic efforts."

"We have expressed our profound concern to the government of Israel and expect further communications with the government of Israel."

**Stratton Comments**

Rep. Samuel S. Stratton, a Democrat from New York, told reporters after meeting with the president and Secretary of State George P. Shultz on nuclear freeze proposals that actions against Israel "are now being considered without any decisions having been made."

The flurry of activity and statements in Washington followed the thrust by Israeli armor into Moslem West Beirut, where the PLO is trapped and heavily bom-



Palestinians in West Beirut dug up a road Wednesday to plant mines in front of the Israeli Army.

## 3,000 Reported Held After Kenya Uprising

**By Alan Cowell**  
*New York Times Service*

**NAIROBI** — Nearly 3,000 people, including Kenya's entire 2,100-member air force, were reported Wednesday to be under arrest following an attempt to overthrow the pro-Western government of President Daniel arap Moi on Sunday.

Those detained included about 1,000 people accused of looting in Nairobi, military sources said.

The sources said the air force detainees were either rebels who had surrendered following the coup attempt or air force personnel picked up since then.

There was no word Wednesday on the identity of the coup leaders, four of whom have fled to Dar es Salaam, capital of Tanzania.

The rebellion was centered in Nairobi, but fighting also erupted at an air force base in Nanyuki, 125 miles (200 kilometers) north of here, where 700 were said to have been detained. Nairobi newspapers reported that, in an apparent effort to forestall further unrest, the army moved Tuesday into the town of Kisumu, close to the border with Uganda, and occupied the tiny, lakeside airport there.

While the coup attempt was led by air force personnel, it was supported by university students and, apparently, elements of the army. Mr. Moi's government has heaped praise upon the army for its loyalty, but reports Wednesday suggested that some army personnel had supported what the rebels termed their "revolution."

Witnesses at a communications center taken over by the rebels and others who were in central Nairobi during the period when anti-government forces were in control, said they saw men dressed in army uniform assisting air force personnel in their efforts to consolidate early gains.

The higher echelons of the army, however, remained loyal and put down the rebellion after receiving



Diana, Princess of Wales, holds her son, Prince William, after his christening on Wednesday at Buckingham Palace.

## Prince William Christened

**LONDON** — Prince William of Wales, the six-week-old son of the Prince and Princess of Wales, was christened Wednesday at Buckingham Palace.

William let out three little cries when Robert Runcie, the archbishop of Canterbury, poured water on his forehead from the silver-gilt Lily Font, used for all royal christenings since 1840.

As his parents and his grandparents, Queen Elizabeth II and Prince Philip, looked on, the blue-eyed prince was officially named William Arthur Philip Louis. He is second in line to the throne after his 33-year-old father.

The simple 20-minute christening was attended by most of the royal family, the prince's godparents, the four doctors who attended his birth June 21 at St. Mary's Hospital and about 60 guests.

The young prince has six godparents: former King Constantine of Greece; Sir Laurens Van Der Post, a South African writer and a mentor of Prince Charles; Lord Romney, a grandson of Charles' great-uncle, Earl Mountbatten of Burma, who was killed by the IRA in 1979; Princess Alexandra, a first cousin of the queen; the Duchess of Westminster; and Lady Susan Hineson, a lady-in-wait-

## As Equals by Law, Black Unions In South Africa Now Seek Unity

**By Joseph Lelyveld**  
*New York Times Service*

**JOHANNESBURG** — Despite systematic police surveillance and the jailing of organizers, South Africa's new black trade unions are steadily expanding their membership and making themselves felt as a force in South African industry.

From the standpoint of factories organized, the black trade union movement is still in an early stage. But the outlines of what could become an important power base can already be seen.

The potential significance of that development is obvious to all. So is its rarity. There is no other secular sphere in the heavily regulated lives of black South Africans in which they are permitted to build national organizations.

The unions, which have won equal status in the law with white unions, are starting to regroup in an effort to eliminate jurisdictional disputes that have plagued their early organizing efforts. They now seem to be groping their way toward a set of coherent positions on the most sensitive and far-reaching issues they face: how to define their relationship to the white-dominated political system and to the underground black movements that seek to overturn that system.

**'Emerging' Unions**

On these tactical questions, the so-called "emerging" unions — which still represent less than 10 percent of the black industrial work force — appear now to be gravitating into two camps. One places its primary emphasis on

— resist laws and regulations that its members had no hand in shaping.

That second group of black unions has drawn a disproportionate share of the attention of the security police, especially in the traditionally militant industrial centers of Port Elizabeth and East London in eastern Cape Province. There the new trade unions have been subjected to relentless police pressure, involving long spells of detention without trial for their leaders and organizers.

The South African Allied Workers Union, the dominant force in East London, has trouble in finding an office or getting a phone, and its top officials spend more time in jail than out. Thozamile Gqweta, the union's president, has been arrested seven times since 1980 and is now being held under unspecified treason charges.

In Port Elizabeth, the president of the Motor Assembly Components Workers Union of South Africa, Dumile Makanda, spent 271 days in detention without trial and then was placed under a "banning" order that barred him from entering a factory or union office.

It is a matter of principle for these unions not to seek registration in the official labor relations system, even though that system has been transformed and deracialized — at least as far as the law is concerned.

But, paradoxically, it is the unions of the other grouping — those that have largely managed to avoid confrontation with the state — that have been most conspicuous in arousing the kind of labor militancy that shuts down factories. Members of the union formerly led by Mr. Makanda continued working at the Ford Motor Co.'s Cortina plant in Port Elizabeth last month when its supposedly more accommodating rival, the National Automobile and Allied Workers Union, went on strike at Ford's other factories, General Motors and Volkswagen, in pursuit of a 75-percent wage increase.

**'Collaborating' Is Charged**

The National Automobile and Allied Workers Union is sometimes blamed for "collaborating" because it works within the formal labor relations system decreed by the all-white Parliament.

Yet this union — one of the main supports of the Federation of South African Trade Unions, the strongest of the new trade union constellations — shut down

### INSIDE

■ The standard meter may be redefined next year — with the kind of accuracy that scientists only dream of — as the distance that light travels in a vacuum in one-299,792,458th of a second. *Science*, Page 6.

■ The Stealth bomber builders said that they could produce the radar-evading aircraft three years earlier than planned now, but the Defense Department has rejected that as unrealistic, according to Pentagon sources. *Page 3*.

■ The dollar surged on foreign exchange markets and U.S. share prices sank amid signs of a pause in the slippage.



## Resolution Proposed In UN Security Council To Condemn Israelis

UNITED NATIONS, N.Y. — A draft resolution to condemn Israel for failing to comply with repeated United Nations cease-fire demands in Lebanon was submitted to the Security Council on Wednesday.

The resolution, proposed by Jordan and Spain, calls for the prompt pullback of Israeli troops who moved forward after the Security Council demanded unconditionally last Sunday that a cease-fire go into immediate effect and all military activities be halted.

The text referred to deep shock and alarm at "the atrocities committed by the Israeli forces and the invasion of Beirut."

The Security Council was called to session Wednesday at the request of the Soviet Union, which criticized the United States on Tuesday night as Israel's protector.

After an acrimonious debate lasted well over two hours, the council adjourned without voting. The members went into private consultations, and it was not clear if or when they would vote.

During the debate, Yehuda Blum, the Israeli delegate, repeated a denial that Israeli troops had invaded West Beirut.

The Security Council move coincided with mounting White House concern and criticism about the latest Israeli move in Beirut, plus talk within the State Department of possible U.S. sanctions against Israel.

There was a hint of such measures in Wednesday's resolution, which proposed that the council meet again within hours to consider a report by UN Secretary-General Javier Pérez de Cuellar on the response to it.

The resolution said that if Israel does not comply, the council should "consider adopting effective ways and means in accordance with the provisions of Chapter VII of the charter." This is the chapter that provides for punitive measures against a transgressor, including embargoes and the use of UN force.

### Jordanian Delegate

Hazem Nuseibeh, the Jordanian delegate who introduced the resolution, said the session was one of the most momentous meetings ever held by the council.

He accused the Israelis of barbaric assaults and genocide, and said that hardly a Beirut building had escaped the onslaught of weapons that the United States had provided to Israel.

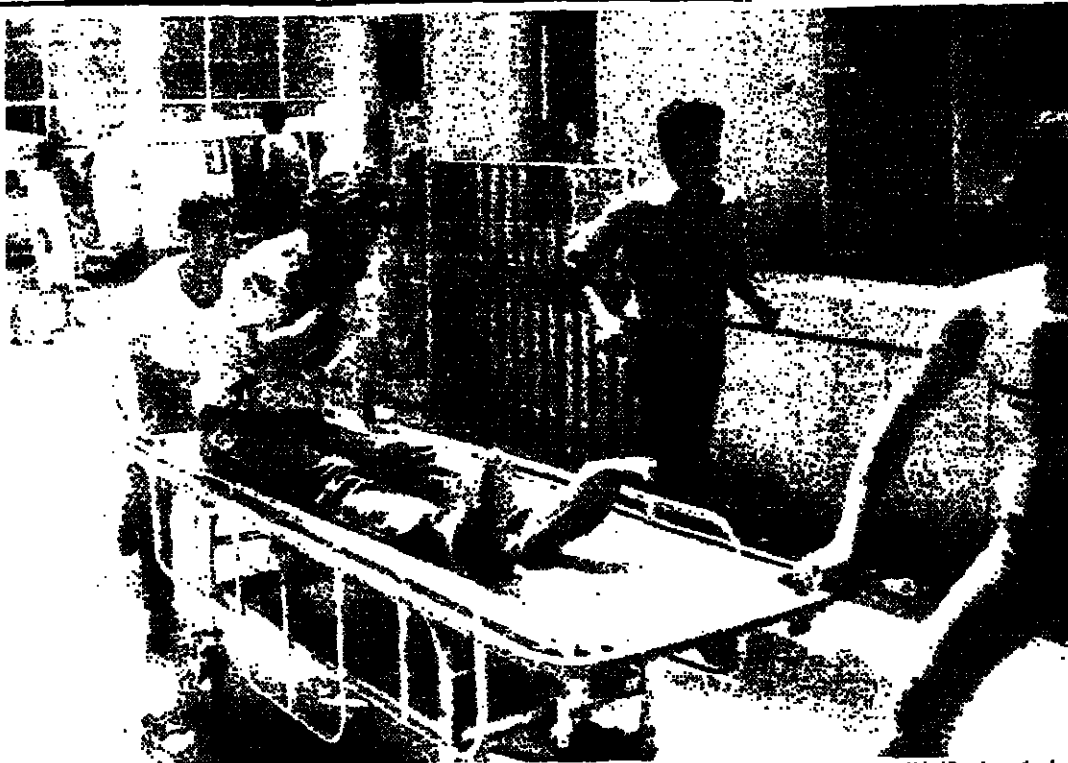
Strongly critical of the U.S. role in the crisis, Richard Ovinikov, the Soviet delegate, accused the U.S. authorities of double-talk. He said the Americans say one thing at open meetings and another behind the scenes.

Mr. Ovinikov said that behind the scenes the United States is doing all in its power to protect Israel, which he said was in turn blocking the deployment of UN observers in and around Beirut.

"Who is protecting the aggressor?" he asked. "It is the delegation of the United States."

He quoted President Reagan as saying it is imperative to halt the fighting and bring about observance of the cease-fire.

However, he said, the U.S. delegation objected to the inclusion of those words in Tuesday's Security Council statement reaffirming the unanimous call of its members for a cease-fire.



A victim of the Israeli shelling of West Beirut being wheeled into the emergency ward of the American University Hospital on Wednesday. The hospital reported 24 dead, mostly civilians.

## Reagan Calls For a Truce

(Continued from Page 1)

barment of the area. Mr. Speaker said the attacks make "virtually impossible the conduct of diplomatic efforts" to stop the fighting.

White House officials said that Israeli officials had told them that the new assault was "not the start of an all-out invasion" of West Beirut. But it broke the ninth cease-fire in the two-month-old Israeli invasion of Lebanon and has angered and alarmed the U.S. administration.

### U.S. 'Deeply Unhappy'

A State Department spokesman said that the United States was "deeply unhappy" at the new attack, with one official saying, according to United Press International, "You can be sure that we are upset about it, whatever is going on."

The special situation group, Mr. Reagan's crisis management team, met for two hours starting at 7:15 a.m., and this session was immediately followed by a meeting of the National Security Council that ended at about 10:15 a.m. Mr. Speaker said that the first meeting, chaired by Vice President Bush, was called "to review, assess and make recommendations to the president."

Those attending that meeting were Mr. Shultz, Secretary of Defense Caspar W. Weinberger, Gen. John W. Vessey Jr., chairman of the Joint Chiefs of Staff, William J. Casey, director of the CIA, and Jeanne J. Kirkpatrick, the U.S. delegate to the United Nations.

The Reagan administration has imposed sanctions on Israel before, first by suspending F-16 jet aircraft deliveries for several weeks in 1981 after Israel bombed a nuclear power reactor in Iraq.

Later it had suspended a new strategic cooperation accord with Israel in reaction to the annexation by the government of Prime Minister Menachem Begin of the Golan Heights, which Israel captured in 1967.

But a source said: "We've used sanctions before and it hasn't done that much good."

Mr. Shultz said Wednesday in a television interview that news reports of military action by Israeli forces were "exaggerated." He said that Israel preferred a peaceful method of getting the PLO out of Lebanon.

On another broadcast, Zehdi Habib Terzi, a PLO observer at the United Nations, said the Israelis sought in Lebanon "to eliminate the Palestinian people [and to] undermine all efforts to bring peace about."



An Israeli soldier cautiously looked for Palestinian guerrillas on Wednesday after the start of a thrust into West Beirut.

## Israelis Renew Attacks On PLO in West Beirut

(Continued from Page 1)

control of a tall building from which guerrilla snipers fired at Israeli troops in East Beirut. The command announced that at about 9 a.m. guerrillas blew up one of their ammunition dumps under a building in the area, apparently to keep it from the Israelis.

Israeli tanks and armored personnel carriers also moved into the port at the northern end of the Green Line, on the edge of the PLO redoubt. Correspondents there said 40 Israeli tanks and personnel carriers later moved toward

Jounieh, a Christian-held port about 12 miles north of Beirut. The Israeli military command said its forces advanced into the Ouzai area, three miles south of the city on the road to the airport, and state and privately owned radio stations reported another push near the golf course adjacent to the airport.

The command said the force at Ouzai wiped out two PLO positions in the Bourj Barjani refugee camp to the west, from which the guerrillas had been firing on Israeli troops.

The Voice of Lebanon, the Lebanese Christian radio, said the Palestinian burghs started huge fires in the East Beirut suburbs of Baabda, where U.S. Ambassador Robert Dillon's residence and the presidential palace are situated, and Yarz, where many Israeli troops are concentrated. No injuries were reported.

An Associated Press correspondent at Baabda found evidence of a few hits but no fires, and was told at the U.S. Embassy compound: "Everyone is fine here. There are no problems."

One shell slammed into the Commodore Hotel, headquarters of about 200 foreign journalists covering the war in West Beirut, but no injuries were reported.

UN Secretary-General Javier Pérez de Cuellar reported that UN military observers reached the PLO office in West Beirut but needed the Israeli Army's cooperation before they could establish observation posts on both sides of the front lines.

The Israeli government said it could not discuss the matter until Thursday, when the cabinet is scheduled to meet after Foreign Minister Yitzhak Shamir returns from Washington.

Some of those leaders boycotting the meeting object to Col. Qadhafi's foreign policy. But most of the boycotters are moderate states, led by Morocco, that oppose the seating of the Polisario Front, which has been fighting a civil war against Morocco in the Western Sahara since 1976.

Last week's meeting of the OAU Council of Ministers was blocked by a similar boycott. That meeting was to have made preparations for this week's summit.

The schism in the OAU opened in February, when 26 African nations decided at a foreign ministers' meeting to admit the Polisario as the organization's 51st member.

The decision prejudged the OAU's own policy on the Western Sahara, which calls for a referendum to all the people of the region, formerly the Spanish Sahara, to decide how they want to be ruled.

## Study Finds Cubans May Face Default

Debt to West Detailed By Anti-Castro Group

The Associated Press

MIAMI — Fidel Castro's Communist revolution is heavily mortgaged to Western banks, and Cuba may not be able to meet the bills coming due next year, according to a study by an anti-Castro lobbying group.

The Cuban-American National Foundation reported in late July that a large slice of Cuba's debt, \$2.6 billion, comes due next year, and that institutions such as the Royal Bank of Canada and the Bank of Tokyo have been informed that Mr. Castro's government will not be able to repay it all.

The foundation said Cuba faces severe near-term loan restructuring or default.

U.S. banks will not be affected. No American institution has loaned Cuba money since a trade embargo was imposed in 1960.

Western banks with a large stake in Cuba's financial well-being are aware that the low price of world sugar and the lack of a second major source of income could make repayment of the loans impossible.

The Royal Bank of Canada knows that Cuba is facing financial problems, said Kurt Van Den Hagen, a senior economist.

Even the Cubans themselves admit it. "We have problems, but who doesn't these days?" asked Pedro Oviedo of the Cuban Interests Section in Washington.

### U.S. Pressure

In 1981 it was reported that U.S. pressure may have killed a planned West German loan to Cuba. Although some short-term loans were granted, a second deal with Italian bankers also fell through when European banks became fearful that Cuba might go bankrupt, the foundation said.

At fault is Cuba's reliance on sugar as its financial mainstay and its long-standing lack of a steady alternative source of hard currency, such as tourism or manufactured exports, said Antonio Jorge, an economist at Florida International University.

Mr. Castro's recently reported overtures toward improving relations with the United States were made in hopes of finding sources of money through foreign investment for Cuba's depressed economy, according to the report's authors, Ernesto Betancourt and Wilson Dizard 3d.

## Mugabe to Seek One-Party Rule After 1985 Vote

Reuters

HARARE, Zimbabwe — The government wants to introduce one-party rule after elections that are expected in 1985, Prime Minister Robert Mugabe has said in an interview.

"We will not have a one-party state during the life of this Parliament. But one would want to see it established during the next term of our parliamentary life," Mr. Mugabe said in an interview to appear Thursday in the monthly magazine Moyo.

The prime minister's ruling Zimbabwe African National Union now controls 57 seats in the 100-member House of Assembly. Zimbabwe's whites, forming less than 3 percent of the population, are guaranteed 20 seats. The Zimbabwe African People's Union, led by Joshua Nkomo, also holds 20, and Bishop Abel Muzorewa's United African National Council has three.

Mr. Mugabe said one-party government is necessary to unite the people. "We are one state with one society and one nation: one nation, one party, one leader — that's the type of political concept we cherish," he declared. He has consistently said he would not force his ideal of a one-party state on an unwilling nation.

Italy Train Crash Kills 3

The Associated Press

LECCE, Italy — A train crashed into a cement mixer at a grade crossing outside this southern Italian city Wednesday, killing the engineer, a conductor and a postal worker riding with them in the cab, the police reported. The cement mixer's driver was seriously injured.

The opinion does not have the force of law, but it will be cited by attorneys attacking the San Francisco ordinance before the California Court of Appeal on Sept. 22.

The opinion thrusts the issue of gun control into this year's election campaigns. Although it was written by John T. Murphy, a career lawyer in the state Department of Justice, its conclusions precisely fit Mr. Deukmejian's opposition to gun con-

Control. A spokesman for the attorney general.

"Opinions from his office are interpretations of state law, and he does not always agree with the conclusions they reach," Mr. Cimarusti said. "Fortunately this one jibes with his consistent political position throughout his career. His position has been to push laws that provide 'use a gun, go to prison,' not to ban guns."

Mayor Tom Bradley of Los Angeles, the Democratic nominee for governor, could not be reached immediately to comment on the attorney general's opinion.

The opinion was in response to a question from H.L. Richardson, a Republican state senator who is the leading fund-raiser.

## WORLD BRIEFS

### Sikh Surrenders After Seizing Plane

NEW DELHI — A Sikh carrying a fake bomb hijacked an Indian airliner with 134 people aboard Wednesday and attempted to force it to Pakistan. But landing permission in Lahore was denied, the plane turned back, and the hijacker released his captives in Amritsar and eventually surrendered peacefully.

The police and airline officials said the hijacker, identified as Gur-bakh Singh, had demanded \$300,000 in cash, passage to the United States or Canada and release of various militant Sikhs arrested recently for separatist activity.

The Indian Airlines Boeing 737 was carrying 128 passengers and six crew members when it left New Delhi for Amritsar, 250 miles to the north, the airline said. Amritsar is in Punjab state, where most of India's 13 million Sikhs live. The hijacking coincided with a scheduled rally in Punjab by Sikhs protesting discrimination and other grievances.

### China's Sub Fleet Called 3d Largest

LONDON — China has a "well-trained and enthusiastic" Navy that is lacking only in modern technology, Jane's Fighting Ships said in a report issued Thursday.

China's navy "currently contains the third largest submarine force in the world, the largest number of light forces and one of the biggest amphibious groups afloat," said the 85th edition of the reference book on military sea power. "This navy has well-trained and enthusiastic sailors. Where it is deficient is in modern technology."

No such deficiency marks the Soviet Navy, still the world's largest, "which, in material aspects, has stolen a march on the U.S. Navy," according to Jane's editor, Capt. J.E. Moore. The United States, Capt. Moore wrote, is building up its navy "at a rate made necessary by the failure of past administrations to provide adequately for their country's security."

### France Tightens Its Traffic Controls

PARIS — The French Cabinet approved a tightening of traffic controls Wednesday following Saturday's 10-vehicle pileup in central France that killed 46 children and seven adults. Fines for violations will be increased and adjusted to the driver's financial condition, the Cabinet ruled.

An average of 13,000 people are killed and 360,000 injured each year on French roads. The Cabinet said it would strengthen controls to ensure compliance with the seldom-enforced speed limit of 90 kilometers an hour (56 mph) on secondary roads and 130 kilometers an hour (81 mph) on highways for passenger cars, and the rule of a minimum 50-meter (55-yard) space between two trucks.

The Italian government, meanwhile, has banned trucks weighing more than five tons from highways during the final two weeks of August.

### Toll in Japanese Storms Reaches 369

TOKYO — Three tropical storms that struck western and central Japan during the past 12 days left at least 369 dead and 66 others missing, the police reported Wednesday.

Another 475 were injured in landslides, flooding and other accidents related to the storms, the worst in nearly three decades. A total of 141,751 were either left homeless or suffered property damage as 1,177 homes and other structures were washed away, destroyed, burned or badly damaged and 140,492 other buildings flooded.

### Walesa Expects Long Imprisonment

WARSAW — Lech Walesa's wife said Wednesday that the Solidarity leader knows that the authorities do not intend to release him.

Danuta Walesa, just back from a five-week stay with Mr. Walesa in an internment camp near the Soviet border, said her husband was in good shape and that prison conditions were reasonable.

Mrs. Walesa said her husband had shaved off his beard and was no longer putting on weight. The authorities recently released more than 1,200 internees, but no top Solidarity official was among them.

### Nicaragua Bars U.S. Aid to 16 Groups

WASHINGTON — The Nicaraguan government has informed the United States that it will not permit \$5.1 million in aid to go to 16 private groups in the country, partly on the ground that the money was intended to undermine the Sandinista regime.

Managua's objections apparently flowed in part from U.S. statements before Congress characterizing the aid as "a symbol of political and moral support" for Nicaraguans who "desire to be free." Such a statement was made by Otto J. Reich, assistant administrator for Latin America of the Agency for International Development, in testimony before a House Appropriations subcommittee on June 23.

Compiled from Agency Dispatches

## Oil Line Break Causes Huge Spill in Wyoming

By Jay Mathews

Washington Post Service

LOS ANGELES — A ruptured oil pipeline has contaminated part of a reservoir, a river and a creek and threatened fish and other wildlife in northern Wyoming in one of the largest inland oil spills on record, state and federal officials said Tuesday.

Environmentalists, fighting what they see as a major threat to wilderness areas, immediately called the spill a sign of what could happen if Interior Secretary James G. Watt allowed more oil drilling in such remote areas. "If this kind of thing can occur in such relatively flat and open land, we feel it has ominous implications for wilderness areas," said Bill Cunningham, northern Rockies representative of the Wilderness Society.

Wyoming officials said they had not yet determined the cause of the break in the 12-inch (30-centimeter) crude oil pipeline that spilled what they estimated to be more than 6,000 barrels, or about 250,000 gallons, of oil 10 miles (16 kilometers) south of Byron, Wyo.

The rupture apparently occurred during the weekend but was not discovered until Monday morning. A passer-by saw oil on the surface of Yellowstone Reservoir, about 20 miles east of Byron, and valves feeding the pipe were shut.

He added that damage from pipeline failures last year amounted to about \$5.2 million.

Officials of the Marathon Pipeline Co., which operated the pipe system, could not be reached for comment.

A suit brought by Wyoming against the pipeline company involved in the 1980 spill is pending in court. A suit by the pipeline company against the telephone company on whom it blames the rupture has also not been settled.

A Coast Guard official sent to investigate the leak said it had not yet been determined what effect the spill had had on wildlife but said the volume of oil lost approached the state's last major spill in 1980 into the Platte River.

The 1980 spill, apparently caused by underground telephone cable construction, killed 1,752 muskrats, 19 geese, 19 ducks and destroyed 183 goose eggs, according to the state's game and fish department.

David Jossi, a private contractor working with the Department of Transportation in Washington, said there were 115 crude oil pipeline breaks last year that spilled 578,169 barrels of oil. Ninety-nine of the breaks were caused by construction equipment such as backhoes.

He added that damage from pipeline failures last year amounted to about \$5.2 million.

Officials of the Marathon Pipeline Co., which operated the pipe system, could not be reached for comment.

A suit brought by Wyoming against the pipeline company involved in the 1980 spill is pending in court. A suit by the pipeline company against the telephone company on whom it blames the rupture has also not been settled.

## Canadian Official Calls For Pipeline Meeting

By Ruth Marcus

Washington Post Service

WASHINGTON — Mark MacGuigan, Canada's secretary of state for external affairs, has proposed a special summit meeting of the seven major industrial democracies to discuss strains created by U.S. adoption of trade sanctions to delay the Soviet gas pipeline.

In a meeting Tuesday with Secretary of State George P. Shultz, Mr. MacGuigan recommended that a meeting be held "to try to heal some of the wounds which seem to have developed" since the seven countries met in June at an economic summit conference at Versailles.

Mr. Shultz treated the suggestion "as an idea worth considering," Mr. MacGuigan said.

The United States appears headed for a showdown with its Western European allies over President Reagan's announcement June 18, after the Versailles meeting, that he was extending a ban to prevent the use of U.S. pipeline technology in the Soviet project. The restrictions prohibited sales of pipeline equipment by overseas subsidiaries of U.S. companies and foreign firms producing the material under U.S. license.

On June 29, Mr. Reagan ordered an embargo on sales of U.S.-built pipeline equipment to the Soviet Union. The move was part of a package of sanctions aimed at punishing Moscow for its presumed role in the Polish declaration of martial law on Dec. 13.

Mr. MacGuigan said at a news conference after Tuesday's meeting that "the problems we had to face at the summit now seem almost small" in comparison to the adoption of the sanctions and the decisions of Britain, France, Italy and West Germany to order or encourage their companies to ignore the ban.

France ordered French companies on July 23 to honor contracts for the pipeline. Britain announced similar instructions to British companies on Aug. 2. West Germany and Italy have supported those actions, although they have refrained from issuing public orders to their companies.

The Europeans have argued that they must honor contracts concluded with the Soviet Union. The United States, meanwhile, has said the pipeline, scheduled for completion in 1986, would supply Moscow with much-needed hard currency and make Europe excessively dependent on Soviet natural gas.

Italy to Continue Ban On Arms for Argentina

United Press International

ROME — Italy announced Wednesday that it will maintain the ban on exports of military supplies to Argentina that it imposed during the Falkland Islands crisis.

But Foreign Trade Minister Nicola Capria said the ban on exports of other strategic goods, such as petroleum and raw materials, had been lifted. The export bans were imposed in April as part of the European Economic Community's support for Britain in the Falklands conflict.

### 2 Cosmos Craft Launched

United Press International

MOSCOW — The Soviet Union launched two Cosmos-series space satellites, Nos. 1398 and 1399, on Tuesday and Wednesday, Tass reported.

J.MARC SINAN Boutique

Newest Fashion Designer in Paris

SALES 50% OFF

81 Avenue Raymond-Poincaré, 75016 Paris. Tel.: 727.13.49

From July 5th through August 27th, Monday through Friday, the International Herald Tribune will present the news in English at 10 a.m. on radio station RMC.

Radio Monte Carlo

هكذا من العمل



## Stealth Builders Say More Funds Can Speed Delivery; U.S. Skeptical

By Richard Halloran  
New York Times Service

WASHINGTON — The builders of radar-evading Stealth bombers have told the Defense Department and Congress that they could produce aircraft three years earlier than planned, but the Pentagon has rejected that as unrealistic, according to Pentagon and congressional officials.

At the same time, development of the highly classified Stealth technology has progressed so that the Air Force may deploy the first Stealth air-launched Cruise missiles this year, according to a former Pentagon official who directed Stealth research.

On the bomber, executives of

Northrop and Boeing have asserted that they could accelerate the initial operating date of Stealth bombers from 1991 to about 1988 if the administration would speed up financing of the project, according to Pentagon and congressional officials.

### The B-1 Factor

But senior Defense Department and Air Force officials contended that was neither technically nor financially feasible and that Stealth bomber technology was still uncertain enough so that potential delays would cause military risks.

A key part of this dispute involves the B-1 bomber being built by Rockwell for initial deployment

in 1986. Advocates of Stealth have contended that the B-1 is unnecessary and that the administration has deliberately stalled the Stealth bomber to avoid jeopardizing the program to build B-1s.

Senior Defense Department and Air Force officials deny this, asserting that the B-1 is needed as soon as possible to replace aging B-52 bombers. Some B-52s have been converted to carriers of air-launched Cruise missiles and more are scheduled to be assigned that role later.

William J. Perry, who was under secretary for defense for research and engineering during the Carter administration, wrote recently that "the first Stealth vehicle, the air-launched Cruise missile, will become operational this year."

Mr. Perry, the senior official responsible for developing Stealth technology, said in Technology Review that the Stealth missile's image on radar would be one-tenth that of a B-52 bomber "and thus can defeat existing Soviet air defenses."

A spokesman for the Air Force said that, as a matter of policy, he could not comment on Stealth.

### Radar Barely Visible

Stealth technology is a combination of materials and coatings that absorb rather than reflect radar beams, rounded rather than flat surfaces and rounded rather than angular designs to deflect radar, plus hidden engine air intakes and exhausts to mask radar and infrared detection.

When combined with jamming known as electronic countermeasures, the radar image of a Stealth bomber would be nearly invisible to radar or other sensors. Specialists have said that Stealth technology can be applied to fighter and reconnaissance aircraft, missiles, tanks on land, and ships at sea with varying degrees of success.

Although Congress has so far provided funds requested by the administration for the B-1, a dispute continues to rumble along: members of Congress such as Sen. Gary Hart of Colorado, Dale Bumpers of Arkansas, and Carl Levin of Michigan, all Democrats, contend that billions of dollars could be saved by jumping over the B-1 and building Stealth.

The administration has priced a fleet of 100 B-1s at \$20.5 billion, but the Congressional Budget Office and the General Accounting Office, both agencies of the Congress, have suggested that the cost could be one-third more.

Budgets for a fleet of Stealth bombers are secret but have been estimated at about the same cost as the B-1 fleet. Mr. Weinberger has told Congress that building both fleets, plus improving the B-52s, would cost \$63 billion.

## Cranston Runs, but His Campaign Saunters

California Democrat, 68, Makes an Uphill Bid for the White House

By Martin Schram  
Washington Post Service

MANCHESTER, N.H. — The tall, lean, athletic senior citizen who wears his hair in a gray fringe and maintains the quiet bearing of a bank president paused in the hotel dining room. "Say, you look familiar," a customer said.

"I'm Senator Hayakawa from California," the man responded, in just, extending a hand. "Oh, yes," the customer responded. "I'm a big fan of yours."

Thus Sen. Alan Cranston began another day in his quixotic campaign for the presidency.

It is the campaign of an esteemed senator from California who was three times elected to the No. 2 Democratic Party leadership position and who is frequently in the forefront of such issues as the nuclear arms freeze and opposition to the constitutional amendment requiring a balanced budget.

Yet this campaign has many of the senator's admiring colleagues wondering: Is he serious? Does he really think he can win?

It is a campaign in which the candidate, for all his determination, is at times so low-key that he may impress voters as lackadaisical and indifferent.

Sen. Cranston makes it quite clear that he is serious: about running, about winning, about the liberal issues he supports.

At a lunch with teachers he was impressive, striking out at the budget cuts in education and the president who proposed them and then talking of his own vision of what should be done.

However, with state AFL-CIO officials at the next stop he seemed at a loss for words. The conversation was marked by embarrassing silences punctuated only by the state federation president's effort to prompt the candidate and prod him from subject to subject.

"He has unlimited growth potential as a candidate," explains Sergio Bendixen, the senator's campaign director, who concedes the unevenness of the performances.

There is the matter of image. He is 68 and on television he looks every bit of it. His gaunt-

ness, plus his baldness, give him a pinched, beaked look.

Not projected is the fact that he is a world-class sprinter — not a jogger, but a sprinter — who once held the world record in the 100-yard dash for men over 55 and who still runs — not jogs — daily for the fun of it.

Mr. Bendixen admits that people are saying he has trouble turning on crowds. "Well, that we can work on," he answers. "But they don't say that he isn't substantive enough to be president; no one questions that."

Sen. Cranston likes to say that he was always awed by the presidency: it meant Washington, Jefferson, Lincoln, the Roosevelts. But his 13 years as a U.S. senator, with Richard M. Nixon, Gerald R. Ford, Jimmy Carter and Ronald Reagan in the White House, have taken the awe out of him.

By the fall of 1981 he had become increasingly upset by Mr. Reagan's policies, the domestic budget cuts and the huge military spending increases, the confrontational policies with the Soviet Union. He told his family

that he was going to become a presidential candidate.

He has a clear vision of how he can win. He sees Sen. Edward M. Kennedy of Massachusetts as the Democrats' front-runner right now, with former Vice President Walter F. Mondale second.

He puts Sen. John H. Glenn Jr. of Ohio third and himself fourth, acknowledging that Sen. Gary Hart of Colorado may be on his heels. "I think Glenn is probably the principal alternative along with myself," he said.

"We each start out with our home base, and I think all of the candidates are in good shape in their home states. Mine is California, and that is almost 20 percent of the delegates needed for the nomination. So it's a good start."

Sen. Cranston has targeted seven states for special, early attention. Mr. Bendixen says. They are Iowa and New Hampshire, the first caucus and primary states; New York and Illinois, both large states with early primaries; Alabama and Washington, because he needs a South-



Alan Cranston

ern and a Western state early, and Wisconsin, because he feels liberals tend to do well there.

As the senator prepared to leave his luncheon with the teachers, he got some advice. People want candidates with charisma: "They want to see someone tap-dancing across the stage," someone said.

"I don't think the American people are looking for charisma or entertainment," Sen. Cranston replied.

## Failure of Pershing-2 Remains Unexplained

By Walter Pincus  
Washington Post Service

WASHINGTON — After 10 days of investigation, the Martin-Marietta Corp. has been unable to isolate the reason for the failure of the initial flight test of the Pershing-2 missile, according to informed sources.

"We've come down to a few probable causes" within the first stage of the two-stage missile, a source close to the investigation said Tuesday, "but we're unable to nail down exactly what happened."

He said it was still too early to say whether the test failure will force additional flight tests or a delay in the accelerated production schedule that is in effect for the missile. "No one has discussed adding [test] flights yet," he said.

A review of the findings with representatives of the Army and Martin-Marietta at the company's plant in Orlando, Fla., is "imminent," this source said. At that time, he added, "we'll decide how we go on."

### 8 Minutes From Target

The Pershing-2, with its planned 1,000-mile (1,600-kilometer) range, will be able to hit targets in the Soviet Union within eight minutes of launch from proposed bases in West Germany. Plans to deploy the first of 108 of the U.S. nuclear missiles in late 1983 or early 1984 were approved by NATO in December, 1979.

That decision sparked a series of political opposition demonstrations in West Germany and brought heavy criticism from the Soviet Union. U.S. diplomatic sources believe that any delay in deploying the Pershing-2 could increase the political opposition to the missile in Europe.

To make that NATO-approved deployment schedule, the Army ordered Martin-Marietta to accelerate the original development and production schedule of the Pershing-2 by almost a year. As a result, the testing schedule was compressed and a production order for the missile signed last month, before the first flight test had taken place.

The Pershing-2 that began to disintegrate 17 seconds after launching was a production model rather than a test model. Officials had delayed that test twice to make certain that it would work and were sharply disappointed when it failed.

### First Stage Recovered

The investigators have been able to recover "almost the entire remains of the first stage," a company official said Tuesday, along with the guidance control system that was in the forward tip of the missile. The nose cone and simulated warhead, which was loaded with electronic test equipment, fell in the ocean and has not been found.

The second stage, which had just started to ignite when the missile began to disintegrate, was subsequently blown up by the test range safety officer who feared it was headed off course.

Although missile flight tests are designed to reveal problem areas, the Pershing-2 failure was disappointing because it was to be one of only two test shots over the full 1,000-mile range. The remaining 16 tests will be at shorter distances, about 600 miles, over land from Idaho to the White Sands Missile Range, primarily to test out the complicated terminal guidance system on the missile, which has been having its own problems.

## With Equality Under Law, South Africa's Black Unions Now Seek Unity

(Continued from Page 1)

Volkswagen plant at Uitenhage 36 times since the start of 1981 before shutting down the entire industry in Port Elizabeth last month. Fred Sauls, its secretary, said in an interview that the unions that hold themselves aloof from the system are deluding themselves. "We've got more autonomy than they would ever have," he contended, "because our autonomy depends on organization in plants."

Mr. Sauls' impatience with political and theoretical issues is controversial, even within the federation to which his union belongs. The federation is still trying to decide whether to conduct negotiations on an industrywide basis through an industrial council. It will take part in the system, it seems to be suggesting, if it is given the leverage to make it more responsive to workers.

The question of whether the system can be made flexible enough to entice the federation — which now has 95,000 members, twice the strength it had at the start of last year — could turn out to be the crucial test for the new labor laws.

In all, according to figures compiled by the national manpower commission, about 262,000 blacks had joined mainly black trade unions by the end of last year. Another 98,000 were counted as being organized in white-dominated unions, usually in racially separate

branches and, not infrequently, against their will as a result of closed-shop agreements.

The federation, as the largest of the new organizations, has made overtures to the rest of the movement and now appears to be feeling its way toward a merger with two other unions that share its approach. These are the Food and Canning Workers Union, one of the few with the beginnings of a national organization already in place, and the General Workers Union, which has organized the stevedores in each of South Africa's major ports and now — despite resistance from the authorities — is organizing dockers employed by the state-owned railway.

If the merger is successful, a federation with significant strength in five or six major industries would be the result.

### Organizational Experience

The leaders of the federation and the unions moving into alignment with it were drawn initially from the mainly white universities and then from the factory floor. The white intellectuals brought organizational experience and a grasp of trade union tactics in other countries. They also brought a political conviction that the development of a black trade union movement could serve as a unifying force for blacks.

"We all feel it has got the potential to become a crucial force in this country," said Alec Erwin, a former economics lecturer at the University of Natal who now works as an organizer for the National Union of Textile Workers, a federation affiliate.

For the first two years that the federation was in existence, Mr. Erwin served as its general secretary. He still is probably its chief theorist, but he is no longer on the executive committee, which is dominated now by blacks drawn from the factory floor. The federation's president, Chris Dlamini, earned \$102 a week at the Kellogg's plant in Springs, near Johannesburg, where South Africa's cornflakes are made.

The Transvaal regional secretary, Dusi Ngweni, runs a machine that packs bars of soap at

**Director of Aid Agency Is Expelled by Uganda**

NAIROBI — John Connick, the director in Uganda for Euro-Accord, an international aid agency, has been expelled from the country, an agency source said Wednesday. Euro-Accord has been providing aid to areas in northern Uganda suffering from famine.

The Ugandan authorities ordered Mr. Connick out last Saturday and he left Sunday for his London headquarters, the agency source said. The Ugandan

Colgate Palmolive plant in nearby Boksburg. David Sebati, secretary of another federation affiliate, the Metal and Allied Workers Union, that is making itself felt with a growing membership of 35,000 in the steel and related industries, once loaded cars for Toyota.

Mr. Dlamini is 36; Mr. Ngweni, 25; Mr. Sebati, 32. As representatives of a rising generation of black union leadership, they are articulate and strong-minded — not likely to be dismissed by any employer as front men for intellectuals such as Mr. Erwin.

The federation took an ostensibly apolitical stance in its early days to avoid getting caught in the state's repressive machinery, but now, as part of its effort to reach a common platform with other unions, it has started to explain how its position differs from that of the unions in eastern Cape Province.

As expressed in a recent speech by Joe Foster, a leader of the auto union in Cape Town who replaced Mr. Erwin as general secretary, the major difference is in the way the federation puts on the need to build an independent workers' movement.

Responding to the sentiments of the black rank and file, Mr. Foster hailed the banned African National Congress as a "great populist liberation movement" with "important military activities" but declared, "workers must strive to build their own powerful and effective organization, even if they are part of the wider struggle." Essentially, he was asserting that workers can support the goal of "liberation" without putting their unions at the command of the underground.

A leader of one of the unions that the police regard as Trojan horses for the underground said: "We have got a problem, and our problem is that of total liberation. Trade unions have to play their part and contribute to one thing, and that is total liberation."

The issue of the relation of the new unions to the wider "struggle" was graphically expressed, in all its ambiguity, when the flag of the banned organization was unfurled in central Johannesburg six months ago and carried at the head of a funeral procession for a white organizer of the Food and Canning Workers Union, Neil Aggett, who had died in the custody of the security police.

The union leaders who organized the funeral were dismayed by the display, which seemed to confirm official hints — for which evidence has yet to be furnished — that Mr. Aggett had a link to the underground. Some said bitterly that the African National Congress had "hijacked" the funeral. Others brooded on the suspicion that the flag had been displayed by

the ANC have a common interest in magnifying the role of the ANC," said a white intellectual with close ties to the federation.

Yet the workers who marched behind the banner seemed encouraged by what they knew to be the illegal flaunting of the movement's symbol, rather than concerned that the independence of their unions was being compromised. That spectacle showed how difficult it may eventually become for the black unions to maintain their independence — and to avoid a collision with the state.

### Union Members Detained

The government's attitude toward the black unions tends to mirror that ambiguity. When it is expressed by P.J. van der Merwe, an academic specialist who serves as director-general of the Ministry of Manpower, it is open-minded and flexible. He says the government is determined to test labor relations to business and the unions and to maintain a position of "minimum involvement" and "nonintervention."

That stance contrasts oddly with a tally, made by the liberal South African Institute of Race Relations, that more than 300 union members were detained under the security laws in 1981, among them many prominent union leaders. A group called the Parents Support Committee has collected affidavits from 41 persons who say they were beaten, tortured or otherwise abused by police interrogators since the start of last year; of these, 10 were union officials.

This correspondent has heard detailed accounts from three black union officials of their experiences in detention. The three men were interviewed in three different cities and did not appear to have had any opportunity to coordinate their stories.

Each maintained that he was placed under extreme pressure to acknowledge links to the ANC. Each claimed to have been assaulted and to have been questioned while standing naked or stripped to his undershorts. Each said he was denied toilet facilities during prolonged interrogation sessions.

Two said they were subjected to electric shocks. One man said he was prepared to have his name used in connection with his charges. That was Sam Kikane, the general secretary of the South African Allied Workers Union, who said that he was subjected to electric shocks at the Durban North police station during interrogation sessions on Jan. 5 and 6.

His interrogators wanted him to acknowledge, Mr. Kikane said, that orders from the ANC had been relayed to him by Griffiths Mxenge, a black lawyer who was stabbed to death in mysterious circumstances in Durban last November. As a result of a blow on the ear, Mr. Kikane asserted, he was unable to hear for two weeks.

"They were forcing me to say that I know about the ANC," he said. "I know nothing. I'm a trade unionist."

Mr. Kikane, who was released on bail last month although he is still facing unspecified treason charges, was admitted in February to the psychiatric ward of a hospital after complaining of hearing echoes and voices in the cell where he had been held in solitary confinement.

**Security Chief Comments**

Asked to comment about the surveillance and the tension of trade union officials, the head of the security police, Lt. Gen. Johan Coetzee, spoke briefly of a struggle "not only in South Africa, but throughout the free world" between what he described as "radicalized" and "bona fide" trade unions. He said the "radicalized" unions were often identified with the Communist-dominated World Federation of Trade Unions, but did not say whether he suspected some of the new black unions of having such ties.

The police are in no way interested in persons carrying out legislation.

that more than 300 union members were detained under the security laws in 1981, among them many prominent union leaders. A group called the Parents Support Committee has collected affidavits from 41 persons who say they were beaten, tortured or otherwise abused by police interrogators since the start of last year; of these, 10 were union officials.

This correspondent has heard detailed accounts from three black union officials of their experiences in detention. The three men were interviewed in three different cities and did not appear to have had any opportunity to coordinate their stories.

Each maintained that he was placed under extreme pressure to acknowledge links to the ANC. Each claimed to have been assaulted and to have been questioned while standing naked or stripped to his undershorts. Each said he was denied toilet facilities during prolonged interrogation sessions.

Two said they were subjected to electric shocks. One man said he was prepared to have his name used in connection with his charges. That was Sam Kikane, the general secretary of the South African Allied Workers Union, who said that he was subjected to electric shocks at the Durban North police station during interrogation sessions on Jan. 5 and 6.

His interrogators wanted him to acknowledge, Mr. Kikane said, that orders from the ANC had been relayed to him by Griffiths Mxenge, a black lawyer who was stabbed to death in mysterious circumstances in Durban last November. As a result of a blow on the ear, Mr. Kikane asserted, he was unable to hear for two weeks.

"They were forcing me to say that I know about the ANC," he said. "I know nothing. I'm a trade unionist."

Mr. Kikane, who was released on bail last month although he is still facing unspecified treason charges, was admitted in February to the psychiatric ward of a hospital after complaining of hearing echoes and voices in the cell where he had been held in solitary confinement.

**Security Chief Comments**

Asked to comment about the surveillance and the tension of trade union officials, the head of the security police, Lt. Gen. Johan Coetzee, spoke briefly of a struggle "not only in South Africa, but throughout the free world" between what he described as "radicalized" and "bona fide" trade unions. He said the "radicalized" unions were often identified with the Communist-dominated World Federation of Trade Unions, but did not say whether he suspected some of the new black unions of having such ties.

The police are in no way interested in persons carrying out legislation.

## Reagan Told He Must Fight For Tax Rise

Washington Post Service

WASHINGTON — As House and Senate conferees began work on legislation raising taxes by a record \$98.5 billion over three years, both Republican and Democratic leaders said President Reagan would have to lobby intensely to win House approval.

Rep. Dan Rostenkowski of Illinois, the Democratic chairman of the Ways and Means Committee, warned Tuesday that Mr. Reagan would have to put on "a full-court press" if the measure were to be enacted.

Sen. Robert J. Dole of Kansas, the Republican chairman of the Finance Committee, agreed that there would have to be "a great deal more effort on behalf of the president."

At Tuesday's conference, Sen. Dole and others signaled an interest in lessening tax increases that fall on individuals, including a proposed reduction in deductions for medical expenses. But no votes were taken.

Sen. Dole said he would accept elimination of provisions that would double the cigarette tax from 8 to 16 cents a pack and raise the telephone excise tax from 1 to 2 percent.

## VOA Management Ills Found to Impair Role

The Associated Press

WASHINGTON — On the same day the White House announced the departure of the Voice of America's director, a federal agency, by coincidence, released a report criticizing the VOA for its frequent turnover of top management.

The report was issued Tuesday by the General Accounting Office, the investigative arm of Congress. It found management problems at the VOA to be so severe that they hinder the agency in its attempts to tell America's story to the world. The VOA broadcasts in English and 38 foreign languages.

Also on Tuesday, the White House announced that John R. Hughes, the fourth VOA director since 1980, was being named assistant secretary of state for public affairs. In his new post, Mr. Hughes will be the State Department's chief spokesman. He succeeds Dean E. Fischer, who resigned to return to private life.

The GAO's report on problems at the broadcasting agency cited "continuing changes in leadership, vacancies in key positions, poor facilities and outdated equipment."

It added, "For varying reasons, including budgetary constraints,

management style and political philosophy, the problems continue to the point where the effectiveness of VOA is being compromised."

It quoted a former director, without identifying him, as having said that the VOA "lacks much of what is considered essential in normal broadcasting terms... and much of its production equipment belongs in a museum."

Charles Z. Wick, director of the International Communication Agency, the VOA's parent organization, told the GAO that its criticisms of management practices were on target.

"We totally support the purposes of the study and we are in general accord with its conclusions," he wrote.

Specifically, the GAO said the management of the VOA gives scant guidance for program content, leaving each language service responsible for developing its own programming, except for news. This leads to overlapping efforts and to a lack of a consistent VOA tone, the report said.

The report noted that the position of director of engineering and technical operations had been vacant for 30 months, until last June.

New York's Best Business Address.

**The Waldorf-Astoria**  
A Waldorf Hotel  
**The Waldorf Towers**

For information and reservations, call your travel agent, any Hilton Hotel, or HILTON RESERVATION SERVICE. (In London, call 01-631-1767. In Paris, call 687-34-80.) 801 Park Avenue • New York, NY 10022 • Telex: 956747

## INTERNATIONAL EXECUTIVE OPPORTUNITIES

### Pharma

Schweizer Gruppe (Ethische Arzneimittel, Umsatz 1982: DM 300 Mio) sucht

**Director Licensing International**

dem Präsidenten direkt unterstellt. Anfangsgehalt p.a.: bis S.F. 200.000.

Bewerbungen bitte an:

### INTER-AD

Internationaler Anzeigen-Service GmbH  
Mendelssohnstrasse 79, D-6000 Frankfurt 1  
Tel.: Germany (0) 611/74 80 46.

ABU DHABI.....SINGAPORE.....NORTH SEA.....AFRICA

**Comex Group** is reinforcing its international on/off-shore network and is developing its marine activities.

## Will you join them as manager?

**Operation managers  
Project managers  
Marine superintendents**

These positions provide excellent salaries and comprehensive benefit packages, commensurate with the responsibilities. If you believe this opportunity could be of interest to you, please forward a full career story, quoting ref. M.437 to

**SVP RESSOURCES HUMAINES**

48 rue Grignan 13001 Marseille France

JP KUBI SA



# Herald Tribune

Published With The New York Times and The Washington Post

## The Greenhouse Effect

From THE NEW YORK TIMES

Conjecture is no basis for drastic shifts in energy policy, like burning less coal or spending exorbitantly to capture the carbon dioxide from smokestacks. But the "greenhouse effect" is no longer mere conjecture. A report from the National Academy of Sciences asserts that there is no obvious flaw in the theoretical basis of the effect. The burning of fossil fuels may very well be creating worldwide climatic change. There is no cause for panic, but plenty of reasons for prudence.

The greenhouse theory holds that carbon dioxide, the waste gas released by burning coal, oil and gas, does for the planet what glass does for a greenhouse — lets the sun's warmth in but not back out again. Until the industrial revolution, excess carbon dioxide was absorbed in the oceans. Now the gas is accumulating rapidly in the atmosphere. Climatologists predict that present levels of carbon dioxide will double in the next 50 to 70 years, raising global surface temperatures.

There is no clear sign yet that the predicted global warming has begun. The prediction may yet turn out to be flawed; it tests to the limit present knowledge of the oceans and the atmosphere and their interactions.

The predicted warming would not be pleasant. The Northern Hemisphere, having less ocean, would experience a greater than average temperature rise. The southern United States and Europe would become truly tropical. The northern parts would become drier, making it harder to grow corn and wheat in the traditional breadbasket regions. If the western Antarctic ice sheet, which rests

on bedrock, should melt, rising waters would engulf many of the world's coastal cities.

On the happier side, the higher levels of carbon dioxide would make crops grow faster. The rebuilding of cities would be manageable if change were sufficiently gradual.

Such predictions depend on numerous uncertainties. No one knows for sure how fast the oceans can absorb carbon dioxide or whether the greenhouse effect might dampen itself by producing more clouds. And there is the economic question of how much coal, oil and gas the world is going to burn. Use of fossil fuels was increasing at 4 percent a year but the rise has now dropped to 2 percent. The slower the growth, the longer the predicted warming would be postponed.

Almost the only certainty about the greenhouse effect is that atmospheric carbon dioxide has been rising steadily. And even that is something of an embarrassment for the theory, because there has been no clear rise in average temperatures. Climatologists contend that a recent upsurge of dust from volcanoes, and a consequent drop in the sun's brightness, have canceled out the warming. Until there is indisputable proof of a global warming caused by carbon dioxide, the greenhouse effect must remain a hypothesis.

Nevertheless, that hypothesis has now survived a decade of intensive review. The measures that would be needed to reduce carbon dioxide emissions, such as conservation of energy and support of solar and nuclear power as part of a diverse energy policy, are steps that should be taken in any case.

## The Faces of America

From THE WASHINGTON POST

What kind of people will Americans be 40 years from now? We already have a pretty good idea. About one-third of the Americans of 2022 are already alive (although not all are in the United States yet), and the parents of most of the Americans of 2022 are alive, even if it hard to visualize a 3-year-old as a parent. We know the rather widely varying birthrates of different types of people in the society, and we know something — although less than would be desirable — about the numbers and kinds of people who are immigrating.

The big news, announced most recently in a national study prepared by the Center for the Continuing Study of the California Economy, is that a smaller proportion of Americans in 2022 will be white and non-Hispanic than is now the case. The study expects that percentage to decline from 80 in 1980 to 75 in 2000; it makes no estimate for 2022, but the percentage seems almost certain to be lower. The study expects the percentage of Asians to increase from 2.5 percent in 1980 to 4 percent in 2000; the percentage of blacks is expected to rise from 11.5 to 12.4, and that of Hispanics from 6.4 to 8.6.

If there are not many people left who talk openly about such things, we suppose there are some left who worry privately about them. But the fact is that changing ethnic composition, and rising percentages of groups that are discriminated against, are as American as apple pie.

In America as in the world generally, poorer people tend to have more children; most of the children alive at any time in American history have lived in households that were poorer and more likely to be headed by minorities than the national average. Today blacks, Hispanics and Asians tend to have

more children than those who do not fall in those groups, just as 50 years ago Irish, Italian, Jewish and Polish Americans had more children than people of British descent.

Although each generation of American children tends to come from households with lower socioeconomic status than the contemporary generation of adults, there have been rises in real incomes in every generation of America's history. Lower socioeconomic status has not proved an insurmountable handicap; Americans have leaptfrogged ahead of each other, generation after generation.

We see no reason to expect that this will not happen again. The population of children in America today is made up of blacks, Hispanics and Asians to a greater extent than the population of adults. It is one of the major tasks of society's institutions to help their parents prepare them to be productive citizens. There is evidence — rising test scores, for example — that whatever America's temporary economic problems, this is happening.

These children will be joined, when they are in their 20s or 30s, by immigrants of the same age in numbers that cannot be precisely predicted, but which are likely, if history is a guide, to be related to the state of the economy. Immigrants are most often people of above-average initiative and flexibility, and they almost always improve vastly their socioeconomic status.

The American people are going to look different in 2022, and they will have had different experiences and backgrounds in many cases. But with some luck, and if America has the good sense to draw on the lessons of success that its history teaches, they can be more prosperous, productive and tolerant than the Americans of today.

## Other Editorial Opinion

### Africa's Common Strains

The strains that Kenya has been under — increasing economic difficulties exacerbated by a weak government response and accompanied by some authoritarian measures to quell critics — are common to most of Africa. But if the strains become intolerable in a country regarded until recently as more moderate than most and a secure base for Western investment, what are the prospects for the rest of the continent? One-party states provide too few safety valves for the expression of dissent, whether it is criticism of economic policy or protests against detention without trial. The West should be aware of the great strains now being faced by African countries and should help Kenya through its economic troubles. But external aid needs to be matched by internal reforms.

— The Financial Times (London).

### The Other Mideast War

Most Western observers have wrongly looked upon the war between Iran and Iraq as being the secondary Mideast conflict. This war is hardly secondary in terms of scale. It also could be far more significant in the long run than what is happening in Lebanon. The fervor Iranians are demonstrating should be an important lesson. The Iranians are fighting neither for nor against communism, neither for nor against democracy. They are fighting — and dying — in the name of Allah.

### 'Most People Draw Lines'

The latest bombings by the IRA in London were undoubtedly aimed at getting attention. To that degree, they were successful. To a radical, the incident presumably was a successful venture into the world of terrorism. What radicals fail to visualize is that most of the world's population is not radical in thinking. Most people draw lines. Most stop short of the extreme.

And so it follows that most of the world's population will digest the bombing incidents with disgust and anger. Radicals never seem to learn that lesson. They never seem to be able to comprehend the outrageousness of their atrocities. They never seem to realize that their causes are harmed rather than helped by measures that reach the extreme.

The world was shocked, to be sure, but shock wears thin quickly. What often follows is anger, and sometimes retaliation. And the IRA may soon discover that those who have lent support in the past will find it harder to continue with that support in light of this renewed and bloody tactic.

— The Woonsocket (Rhode Island) Call.

## AUG. 5: FROM OUR PAGES 75 AND 50 YEARS AGO

### 1907: Persians Fear Turkey

TEHRAN — The news that Turkish troops are advancing on Orumia has produced extraordinary excitement here. At the National Assembly, the Minister of Justice being present, all the deputies wept over the condition of Persia, and the fact that even Turkey was taking advantage of the situation and endeavoring to take possession of the country. The crowd outside the House broke in and accused the Atabeg Azam of being the cause of the present condition of the country, in the hope of upsetting the constitution. A telegram from the clergy at Najef was read, accusing the Atabeg of being a traitor and unbeliever. The mob demands his dismissal and exile or it declares it will kill him.

### 1932: Tobacco Heir Murdered

WINSTON-SALEM, N.C. — A true bill charging them with the murder of Zachary Smith Reynolds, 21-year-old heir to the huge Carolina tobacco fortune, was returned by the Forsyth County grand jury against his widow, Libby Holman, former Broadway "blues" singer, and Albert B. Walker, a friend and houseguest of Reynolds, who has been placed in the county jail. The Winston-Salem authorities have asked Cincinnati police to apprehend Mrs. Reynolds, now at her parents' home in Ohio recuperating after the preliminary investigation. Young Reynolds was found dying from pistol wounds on July 6 at the Reynolds' mansion here. A coroner's jury refused to accept the theory of suicide.

JOHN HAY WHITNEY (1904-1982), Chairman

KATHARINE GRAHAM and ARTHUR OCHS SULZBERGER, Co-Chairmen

LEE W. HUEBNER, Publisher

Executive Editor

Editor

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board

Editorial Board



# COMMANDING THE SKY



## Fly the world with the proven reliability of wide-body Challenger

A whole fleet of over 50 Canadair Challengers has already been delivered to major corporate customers. One reason these important travelers have chosen the world's only advanced, wide-body business jet is Challenger's proven reliability. Corporate leaders know you can count on Challenger for demanding daily use around the world.

In a remarkable performance achievement, a Challenger flew 70,000 miles in 48 days, with 100% dispatch reliability. Challenger offers you such dependability because it is built with state-of-the-art technology which outdates every other jet in its class. And it is certified to the newest, toughest commercial aviation standards ever.

For more information on Challenger's many advantages, contact Adel A. Oubari, Vice President of TAG Aeronautics Ltd, 14 Rue Charles Bonnet, 1211 Geneva 12, Switzerland. Telephone: (022) 461717. Telex: 289 084.

**TAG AERONAUTICS LTD**



EXCLUSIVE DISTRIBUTORS FOR MIDDLE EAST AND OTHER ARAB COUNTRIES

## New Standard Promises to Usher In Era of Exquisite Precision

\_\_\_\_\_



BUSINESS BRIEFS

Moody's Cuts U.S. Steel Ratings

NEW YORK — Moody's Investors Service Wednesday lowered the ratings on U.S. Steel Corp.'s commercial paper, as well as on senior and subordinated debt.

Moody's said the ratings on U.S. Steel Corp. and U.S. Steel Credit Corp. commercial paper was lowered to prime-2 from prime-1. Moody's said it cut the rating on U.S. Steel's senior debt to A-3 from A-2 and on its subordinated debt to Baa-1 from A-3.

The rating service said that since it last reviewed the outstanding ratings of the company, its financial condition has steadily worsened.

Lahnstein, Schmidt Urge AEG Aid

BONN — West German Finance Minister Manfred Lahnstein said Wednesday he expects the bank consortium helping AEG-Telefunken to agree soon to provide it with an extra 275 million Deutsche marks in insured credits.

Mr. Lahnstein said a binding agreement by the banks to make the loans would enable the government to grant AEG Export loan guarantees of up to 600 million DM. A government spokesman said Chancellor Helmut Schmidt Wednesday called emphatically for the bank consortium to fulfill the conditions for the government export guarantees.

Political analysts said the statements by Mr. Schmidt and Mr. Lahnstein signaled impatience with the banks over the AEG rescue. AEG said the company's supervisory board and the banking consortium would hold separate but related meetings Monday.

Bermuda Exchange Plans Contracts

NEW YORK — The International Futures Exchange of Bermuda said Wednesday it will begin trading this fall with gold futures and long-term U.S. Treasury bond futures. It said an ocean freight rate index is scheduled to become the third contract.

FTC Drops Exxon Antitrust Suit

WASHINGTON — The Federal Trade Commission Wednesday dismissed antitrust charges against Exxon concerning a celebrated merger case that was believed at one time to be the largest cash takeover of a U.S. company.

The FTC said it was dropping charges in Exxon's acquisition of Reliance Electric Co. because a technological breakthrough that Exxon had announced could save up to 1 million barrels of oil daily — which it hoped to market through Reliance — turned out to be a bust.

The regulatory agency said that because the breakthrough never really occurred, Exxon "was never the potentially significant entrant" in the business of electric motor drives that it was thought to be.

Subway Deal Seen Causing Harm

WASHINGTON — The U.S. International Trade Commission has ruled 4-1 that a U.S. industry could be injured by the award of a \$650 million contract to a Canadian company to make cars for the New York City subway.

The Commerce Department will investigate whether the Canadian government subsidized the transaction, and, if so, how great an injury was inflicted on its U.S. competitor, Budd Co. It will report on its probe in mid-September.

Budd complained that the Canadian government is making a special loan for the deal to Bombardier Inc. of Montreal — about \$560 million at 9.7 percent interest — when U.S. banks say they are charging their best customers 15 percent.

Saxon Oil Defaults on Loan

DALLAS — Saxon Oil Co. has been placed in technical default to its principal lender this week following its failure to meet a \$16.8 million loan payment, Saxon officials said Wednesday.

The lender, InterFirst Bank-Dallas, has not issued an extension on the loan, although it is conducting discussions with Saxon. The loan was due Sunday.

Saxon has been seeking to sell some of its assets since a cash infusion plan several weeks ago fell apart with the collapse of Penn Square Bank in Oklahoma City. The company, which piled up heavy debts drilling in Oklahoma's Anadarko Basin, was hard hit by the depressed oil and gas drilling industry.

Banco Ambrosiano Decision Due

ROME — A decision on the future of Banco Ambrosiano is expected soon, although uncertainty remains whether the bank will be closed or reconstituted under new management, financial sources said Wednesday.

Expectations of a decision were fueled by confidential talks Tuesday night between Premier Giovanni Spadolini and Carlo Ciampi, Bank of Italy governor.

The meeting followed a lengthy session of the seven Italian banks who have committed themselves to underwrite the immediate cash needs of the Milan-based group, Italy's largest private bank.

DM-Eurobonds Issued; Dollar Bonds Weaken

LONDON — The Deutsche mark and Dutch guilder sectors of the Eurobond market gathered some momentum Wednesday with three new issues, as dollar-denominated bonds lost some of their gains from earlier in the week.

Dealers said that dollar Eurobonds lost an average 1/4 point after the Federal Reserve Bank unexpectedly drained reserves from the U.S. banking system on Tuesday and again on Wednesday.

Seasoned issues were generally between 1/4 and 1/2 point lower while newer bonds were an average of 1/4 point lower, dealers said. Eurodollar deposit rates were also affected by the Fed's action. Three-month deposits gained to close at 12 1/2 percent, compared with 12 1/4 percent Tuesday.

Among the new issues, Air Canada is raising 100 million Deutsche marks with a 9-percent 10-year Eurobond priced at par. The issue is lead managed by Deutsche Bank and co-managed by Swiss Bank Corp. International, Banque Nationale de Paris, Goldman Sachs International, S.G. Warburg & Co. and Wood Gundy.

The Mortgage Bank of Denmark also plans to raise 100 million DM through a Eurobond issue. The 10-year notes, which carry a 9 1/2 percent coupon, are being lead managed by Westdeutsche Landesbank Girozentrale.

The bond, guaranteed by the government, will be priced on Aug. 11, but West LB said that under current conditions a price of 99, to yield 9.65 percent, is planned.

In the Dutch guilder sector, the European Investment Bank is issuing a five-year Eurobond to raise 75 million guilders.

The notes, lead managed by Amsterdam-Rotterdam Bank, will be priced at par and bear a coupon of 10 percent. Early redemption of the notes is not being allowed.

The dollar sector, which saw \$760 million in new issues in two days, went over the \$1 billion level for the second time in three weeks Wednesday as Deutsche Bank announced it would raise \$300 million through a seven-year Eurobond.

The bond, which will not be callable, will carry a 14 1/2 percent coupon and will be priced at par. Deutsche Bank itself will act as lead manager. Credit Suisse First Boston and Merrill Lynch International will be co-managers.

How Hong Kong Moved to Help China Save Face

By Pamela G. Hollic

New York Times Service

HONG KONG — A widely accepted tenet here is that every man is as free to lose money as he is to make it. It applies to businesses large and small, but apparently not to Hong Kong's neighbor, China.

In a deal that looks suspiciously like a bailout to some analysts, the Hong Kong government agreed recently to pay \$379 million to a Chinese group called Mightycity Co. for 1,200 acres in the colony's New Territories.

The group bought the land two years ago for \$166 million at the height of Hong Kong's land boom. Since then, property prices in the New Territories, the land near the Chinese border that has been leased by Britain from China until 1997, have dropped by as much as 60 percent.

Goodwill Gesture

Mightycity had planned to develop a satellite city with a population of 500,000 but later decided, according to government officials here, that the project was far too ambitious. Meanwhile, interest costs were running at \$150,000 a day. Mightycity needed a way out.

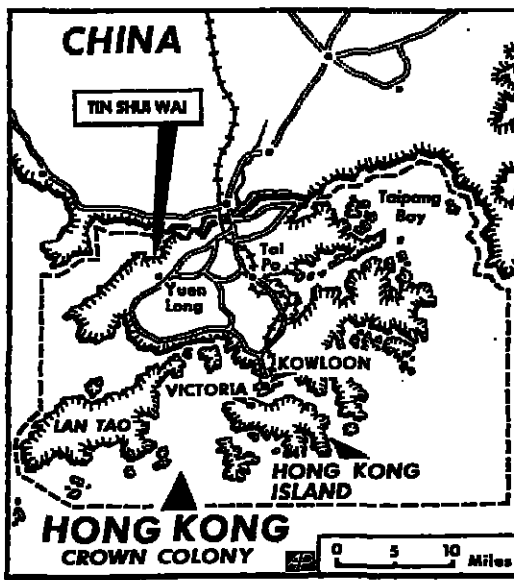
Hong Kong officials, however, argue that the deal also provides Hong Kong with a partner in the development of the New Territories. Mightycity is to help finance the construction of a more modest town on the land it is selling.

In addition, business interests here, which would like to exploit China's investment potential, regard the deal as a goodwill gesture and a chance to gently bring China into further cooperation with the Hong Kong government.

It is to Hong Kong's advantage to make China's economic forays here as pleasant as possible, businessmen say, especially since Hong Kong wants China to remain convinced that a free, capitalistic Hong Kong economy is to China's advantage.

The Hong Kong government publicly denies such thinking. The decision to buy the land, said David Akers Jones, the secretary for home affairs, "is essentially a development decision."

But there is no doubt that the transaction rescues China's major trading arm, China Resources Co., which owns 51 percent of Mightycity, from a doomed project and continued friction with the Hong Kong government, which had approved only the first phase



of a plan to build a large satellite city at Tin Shui Wai. Hong Kong did not have to step in. But it is believed that the collapse of the China-backed project would not have helped its business relations with China.

In any event, Hong Kong could afford it. When negotiations started last year, Hong Kong had anticipated a budget surplus of nearly \$400 million in the fiscal year that ended March 31. Probably as a result of the land purchase, it forecasts only a small surplus this year.

Under the agreement, Mightycity is to turn the land over to the Hong Kong government for \$379 million, then pay back \$134.5 million for development rights to about 95 acres. The remaining \$244.5 million is to be spent on a housing project for 67,500 people on that land.

For its part, Hong Kong will establish its first land bank with 790 acres and develop its own housing project, for 67,000 people, on the rest of the land. The cost of that project, along with roads and support systems, is estimated at \$660 million.

Until plans for the new project are completed in the next two or three years, Mightycity will collect interest on the \$244.5 million "development advance." If Mightycity does not spend the full amount, the transaction calls for the remaining funds to be returned to the Hong Kong government.

And, if Mightycity fails to complete the project within 12 years after work begins, it will forfeit all rights to it. The deadline has been calculated to come before the 1997 lease expiration, a point at which China may choose to exercise its sovereignty over the New Territories.

Austria Set to Aid Semperit

Reuters

VIENNA — The Austrian government has signaled its determination not to let the troubled tire-maker Semperit collapse, plunging in 600 million schillings (\$35 million), and promising more to help save the 8,000 jobs at stake.

The 600-million-schilling grant will go toward a 2 billion schilling investment program to restructure Semperit with the aim of returning it to the break-even point by 1985, a company spokesman said.

Semperit is a victim of the recession in the automobile industry, and along with other European tire manufacturers, it has been hit hard by the slump in world car sales. It is also at a disadvantage compared to other tire companies because there is no Austrian car manufacturer to buy its products.

Semperit had a loss last year of 487.5 million schillings on group sales of 9.32 billion schillings, after losing 145.4 million schillings in 1980.

It expects a loss of about 650 million schillings this year, much of which will go on items associated with restructuring, such as unemployment payments.

The Semperit spokesman said that under the restructuring, the company would cut its range of tires and would invest in machinery to specialize in truck, high-speed and winter tires.

Analysts say the fairly healthy technical products division of Semperit, accounting for about 40 percent of its business, could be separated from the tire division.

Sources said Creditanstalt-Bankverein, Austria's biggest bank, which owns 94 percent of Semperit's shares and is a major creditor of the company, was not planning to sell any part of the group at present.

The Austrian Finance Ministry would not say how much it is prepared to spend on the Semperit restructuring.

Slump in Sugar Market

Reuters

ROME — The world sugar market is likely to remain depressed in 1982-83 because of record surpluses in many producer countries, U.S. import restrictions and prospects for good crops in the southern hemisphere, the UN Food and Agriculture Organization said Wednesday.



Etienne Davignon

U.S., EEC Near Accord On Steel, Sources Say

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. and West European negotiators were close to reaching an agreement Wednesday night to reduce West European steel exports significantly to the United States, trade sources said.

EEC sources quoted community chief negotiator Etienne Davignon as saying "progress is being made" in talks here and said they were hopeful of a settlement this week.

The sources said the community has offered to cut European steel exports to the United States to 5.8 percent of the U.S. market over the next three years. U.S. negotiators are seeking a 5.67 percent reduction. The current European share of the U.S. market is 6.4 percent.

Community sources said the only major sticking point is a U.S. demand that the EEC has resisted so far that steel pipe and tubing be included in the agreement.

Mr. Davignon was accompanied by two other EEC vice chairmen, Wilhelm Haffner and Sir Roy Denman.

Dollar Leaps as Traders See Pause in Rate Drop

Compiled by Our Staff From Dispatches

LONDON — The U.S. dollar surged Wednesday amid signs that the decline of U.S. interest rates is over for now but that European rates may be set for a decline.

"There's a belief that a recovering American economy will keep pressure on interest rates, and so the dollar rallied smartly," a London dealer said.

Strengthening that idea were moves by the Federal Reserve to drain reserves from the U.S. banking system and by the Bundesbank to add funds to the West German system.

In London, the dollar eased slightly from late afternoon highs but still finished the day sharply above Tuesday's close, dealers said. The dollar closed at 2.4817 Deutsche marks, off from a high of around 2.4875 but well up from Tuesday's 2.4392 closing.

Gain Against Yen

The dollar also slipped from its highs against the yen amid dollar selling by the Bank of Japan, dealers said. It closed in London at 260.20 yen, off from a midday 260.80 but well above Tuesday's 257.782 finish.

The recent moves by the Fed to drain reserves were seen by some dealers as a sign that U.S. interest rates will stabilize after their recent sharp drop. Also supporting the U.S. currency were the latest Israeli attacks in Beirut; the dollar generally is viewed as a refuge in times of high tension.

The market viewed the Fed's overnight reverse repurchase agreements on Tuesday and Wednesday as a sign the U.S. central bank believes interest rates have fallen far enough for the time being, dealers said. The agree-

ments are designed to tighten short-term credit.

Dealers said figures showing higher West German unemployment in July contributed slightly to the DM's weakness, as had a Bundesbank plan to add liquidity to the money markets. But there was no sign of an imminent cut in the Lombard rate from the current 9 percent. The Lombard, West Germany's key interest rate, is the fee on loans from the Bundesbank to other banks using securities as collateral.

Some dealers said they were disappointed in the poor reception given to Tuesday's U.S. Treasury auction of \$6 billion of three-year notes. A similar response to Wednesday's sale of \$5 billion of 10-year notes was expected.

These dealers were disappointed even though the average yield at Tuesday's sale fell to 13.17 percent, the lowest in more than two years and down from 14.17 percent at the previous three-year note auction May 4. It was the lowest since a 9.32-percent yield at an auction May 6, 1980.

The British pound traded strongly against other European

currencies, though it fell against the dollar. Some dealers said the pound was helped by a market view that there would be no further cuts in British banks' base rates before next month.

In Hong Kong, the local dollar fell to its lowest point in 10 months against the U.S. dollar. Dealers said they thought the slide reflected uncertainty over the British colony's political future. China has indicated recently that it may want to eventually reabsorb Hong Kong.

Gold Price Gains

The Hong Kong dollar ended at 6.0315 to the U.S. dollar, down from 5.9665 Tuesday. It was the first time the currency has fallen below the 6 to the U.S. dollar in Hong Kong since last October.

Dealers said local investors were switching into U.S. dollars pending clarification of Peking's attitude to the expiration of the lease on the New Territories area of the colony in 1997.

Gold prices rose. On the Commodity Exchange in New York, gold for delivery this month climbed \$5.10, to \$351.

Wall Street Prices In Broad Decline

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed broadly lower amid fear that recent interest rate declines may have ended for the time being.

The Dow Jones industrial average was down sharply throughout the session and finished off 12.94 points at 803.46, the largest one-day drop since it fell 13.04 Feb. 22. Declines overwhelmed advances by an 11-to-3 margin. Volume narrowed to 53.4 million shares from 60.5 million traded Tuesday.

Monte Gordon of Dreyfus Corp. called the Lebanon crisis "the major wild card" facing the market.

Israel continued to bomb targets in South Beirut almost 18 hours after new fighting began and sources said President Reagan is considering sanctions against Israel.

The market also came under pressure from an unexpected move by the Federal Reserve to drain reserves from the banking system both Tuesday and Wednesday. The Fed's move also caused credit markets to weaken substantially.

Some analysts read the Fed action as a sign that the central bank wants to keep interest rates at their present levels for the time being.

Robert Stovall of Dean Witter Reynolds was unwilling to tie the market's slide to any specific news event.

"The market rallied too briefly earlier this week after rate drops, and investors became very discouraged," he said.

Mr. Stovall said it had been expected that the market would stage a sustained rally once interest rates eased. The fact that such an up-trend did not materialize could mean investors are preoccupied by the poor economic outlook and its impact on corporate profits, he said.

Drug stocks were hard hit following disclosure Eli Lilly's anti-arthritis drug had been temporarily banned in Britain. And high-technology issues were under pressure amid indications a pricing battle may emerge for home computers sales.

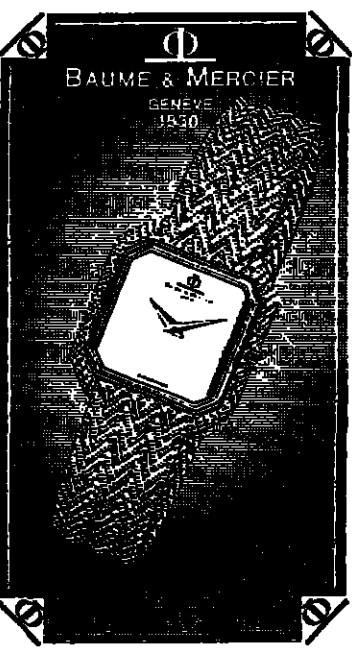
On the NYSE floor, Eli Lilly,

which fell 2 1/4 points Tuesday, was delayed in opening. Britain has stopped the marketing of Lilly's Orlamin drug, which has come under attack in Washington on charges it is unsafe. Lilly had denied the charges.

Oil stocks continued to lose ground, as they have all week. Analysts said there is some speculation that the fighting in Lebanon could lead to unrest in other parts of the Middle East.

Mobil dropped 1/4 to 20 1/4. Exxon 1/4 to 25 1/4. Superior 1 1/4 to 24 1/4. Atlantic Richfield 1 1/4 to 34 1/4. Shell 1/4 to 29 1/4 and Texas Oil & Gas 1/4 to 21 1/4.

Home computer makers also continued their slide in heavy trading. Warner Communications lost 1 1/4 to 39 1/4. Tandy 1/4 to 25 1/4 and Commodore 1/4 to 30 1/4.



The Jeweler you should not miss...

EDWARD JEWELS

Via V. Veneto 187  
Tel. 49 38 09  
Roma

Siemens 9-Month Profit Up 33%

Reuters

MUNICH — Siemens reported on Wednesday a 33-percent increase in profit for the nine months ending June 30 and added that it expects a substantial increase in profit for the entire fiscal year.

The company announced world group after-tax profit of 464 million Deutsche marks in the first nine months of 1981-82, compared with 348 million DM in the year-earlier period. Sales in the latest nine months were 273 billion DM, up from 24 billion DM.

Siemens said it expects a profit-sales ratio of 1.7 percent on world group sales of more than 38 billion DM for the year ending Sept. 30.

In 1980-81 the world group had a profit-sales ratio of 1.5 percent on turnover of 34.7 billion DM and net profit of 509 million DM. The prediction for 1981-2, therefore, would amount to a profit of approximately 570 million DM.

New orders in 1981-82 are expected to total 42 billion DM, up from 41.5 billion DM the previous year, Siemens said.

The company said a 9 percent increase in domestic turnover in the first nine months to 11.8 billion DM was principally the result of sales in the investment goods sector.

It said an 18-percent decline in domestic orders in the first nine

months reflects the Isar-2 nuclear power station order in the earlier period, while a 21-percent increase in foreign orders follows large orders from oil-exporting countries in the fields of energy and communications.

But Siemens said falling oil revenue has led to a general stagnation in orders from these countries. Projects are being stretched over longer periods in the more populous oil-producing countries, it said.

Siemens said orders rose by more than 10 percent in the components, data systems, power engineering and medical engineering sectors, but offered no specific figures.

CURRENCY RATES

Interbank exchange rates for Aug. 4, excluding bank service charges.

	\$	DM	FF	Yen	Sw.	S.P.	S.F.	D.M.
Amsterdam	2.278	4.725	18.28	39.29	0.965	5.771	129.37	0.175
Berlin (a)	2.278	4.725	18.28	39.29	0.965	5.771	129.37	0.175
Berlin (b)	2.278	4.725	18.28	39.29	0.965	5.771	129.37	0.175
London (a)	1.785	—	—	—	—	—	—	—
London (b)	1.785	—	—	—	—	—	—	—
Paris	1.2840	2.2920	68.99	201.80	—	—	—	—
New York	—	—	—	—	—	—	—	—
Zurich	—	—	—	—	—	—	—	—
1 ECU	0.9542	0.8512	2.302	4.5742	1.2141	2.4865	45.1657	0.2104
1 SDR	1.0676	0.8272	2.6922	7.4807	1.5049	2.9147	51.0403	0.2287

Dollar Values

	\$	DM	FF	Yen	Sw.	S.P.	S.F.	D.M.
1 ECU	0.9542	0.8512	2.302	4.5742	1.2141	2.4865	45.1657	0.2104
1 SDR	1.0676	0.8272	2.6922	7.4807	1.5049	2.9147	51.0403	0.2287

(a) Commercial franc. (b) Amounts needed to buy one pound. (\*) Units of 100. (x) Units of 1,000.

These notes have been sold. This announcement appears as a matter of record only.

PRIVATE PLACEMENT  
INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

US\$ 50,000,000

15 year notes

Arranged by

Trade Development Bank

London Branch

And provided by

Republic National Bank of New York



12 Month										Close Prev										12 Month										Close Prev									
High	Low	Stock	Div.	Yld.	P/E	52w	High	Low	Close	Prev	High	Low	Stock	Div.	Yld.	P/E	52w	High	Low	Close	Prev	High	Low	Stock	Div.	Yld.	P/E	52w	High	Low	Close	Prev							
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	28	Halt		2.9	34	32	34	32	34	32	14 1/2	10 1/2	McPh		6	59	1974	1974	1974	1974	1974	20 1/2	10 1/2	Rever		1	59	4	157	1974	1974	1974	1974						
64 1/2	2																																						

Tables include the nationwide prices up to the closing on Wall Street.

**U.S. Automakers Say Sales Down**

The Associated Press

**DETROIT —** The Big Three U.S. automakers Wednesday said new car sales fell 6.8 percent in the final 10 days of July, compared with the period a year ago, bringing the month's total sales down 12.3 percent.

The automakers said they sold 181,144 cars in the last 10 days of the month, down from 194,376 a year earlier.

The biggest decline was at General Motors, where sales in the final 10 days of July dropped to 107,376, off 16.1 percent from 128,044 a year earlier.

Ford reported it sold 51,231 cars in the final 10 days of July, a 21.7 percent increase from 42,096 sold in the same period a year ago.

Chrysler reported a 7 percent decline in the July 21-31 period, from 24,234 a year ago to 22,537 in the most recent period.

For the month, the Big Three auto makers sold 413,642 cars, down from 471,674 a year ago.

GM reported 247,602 sales in the month, down 18.6 percent from 304,133 a year ago.

Ford, the strong showing, had 128,044 sales, a 1.8 percent increase from 126,038 in July 1981.

Chrysler sales for the month were 135,990, up from 127,500 a year ago.

The three companies' sales are being compared with 58,568 in the same period a year ago.

(Continued on Page 10)

**The Associated Press**

**DETROIT** — The Big Three U.S. automakers Wednesday said new car sales fell 6.8 percent in the final 10 days of July, compared with the period a year ago, bringing the month's total sales down 12.3 percent.

The carmakers said they sold 181,144 cars in the last 10 days of the month, down from 194,376 a year earlier.

The biggest decline was at General Motors, where sales in the final 10 days of July dropped to 107,376, off 16.1 percent from 128,046 a year earlier.

Ford reported it sold 51,231 cars in the final 10 days of July, a 21.7 percent increase from 42,096 sold in the same period a year ago.

Chrysler said it sold 22,537 cars in the July 21-31 period, from 24,224 a year ago to 22,537 in the most recent period.

For the month, the Big Three said they sold 413,642 cars, down from 471,614 a year ago.

GM reported 247,602 cars in July, down 18.6 percent from 304,335 a year ago.

At Ford, the strong showing in the final 10 days boosted sales for the month to 181,144, a 1.5 percent increase from 180,000 in 1981.

Chrysler sales for the month were 181,599, up 5.9 percent from 172,000 a year ago.

Chrysler said it delivered 55,000 cars in July, compared with 58,508 in the same period a year ago.



## Winning and Losing in Stock Index Futures

By Robert Metz

New York Times Service

NEW YORK — The new futures contracts that are keyed to popular stock market averages offer ways to play the market with small collateral.

The futures contracts represent an obligation to deliver, after the last day of the contract, \$500 for each point by which the final index value differs from the price at which the contract was initiated.

Whether it is the buyer or seller who delivers the money depends upon whether the index is up or down from the contracted price at settlement.

Currently, there are three sets of contracts. One is keyed to the Standard & Poor's 500 Stock Index; a second to the New York Stock Exchange Index and a third to the Value Line Composite Average.

Each has contracts maturing in September, December, March and June.

Salomon Brothers has just completed a major study of the contracts.

In separate telephone interviews, Salomon's Nicholas Hanson, vice president of strategy systems, and Louis L. Margolis, vice president of futures contracts and equity options, discussed the futures contracts.

Mr. Hanson explained basic strategy. He

said that the S&P 500 stock index is now at about 109 — rounding off for the sake of simplicity. The March S&P contract is currently selling at about 111.

Suppose that on the last day of the contract, the S&P 500 closes at 115. The buyer of a contract at 111 would receive \$500 multiplied by four (115 minus 111) or \$2,000.

If the settlement price turns out to be 100, a seller at 111 would receive \$500 multiplied by eleven (111 minus 100) or \$5,500. That is, the buyer of the contract would lose \$5,500.

All S&P index futures expire on the contract month's third Thursday.

In order to insure sufficient funds at settlement, both buyer and seller are required to deposit \$6,000 — roughly 10 percent of the size of the contract. Margin calls occur when one's equity drops to \$2,500.

### Market's Newness

Unlike margin purchases for stock, which involve interest charges on loans, the margin required here is simply a good faith deposit and may be collateralized with Treasury bills. Contracts are marked to the market every day. Those backed with Treasury bills receive margin calls more often — whenever the market moves against the customer. To understand the various strategies, it is

necessary to know the theoretical value of a stock index futures contract.

The valuation of a futures contract fluctuates in the marketplace. These contracts were dramatically undervalued in June and became dramatically overvalued in July. This change reflects the newness of the market, as well as buyer and seller sentiment about the market generally. The obvious conclusion is that an awareness of valuation is essential for anyone who wishes to play this market.

An individual might buy futures that are undervalued rather than buying a diversified portfolio of stocks. An investor who already owned a portfolio of stocks and who wanted to reduce his exposure to the market while maintaining his position could sell futures if the contracts were overvalued — without tax impact on the underlying shares.

Mr. Margolis explained that the perfectly hedged investor whose shares dropped 20 percent while the S&P 500 fell 30 percent would beat the market by 10 percentage points, plus short-term interest rates, instead of losing a considerable amount of money. This strategy, however, is of more concern to a professional who wants to earn the "alpha" plus short interest rates. The alpha is the amount by which a portfolio outperforms or underperforms the stock market.

## OECD Urges Belgrade To End Price Curbs

The Associated Press

PARIS — Controls on prices and interest rates are hampering Yugoslavia's attempts to revive its economy, the Organization for Economic Cooperation and Development said Wednesday.

In its annual review of the Yugoslav economy, the OECD secretariat noted that the country's government has reduced its 1982 economic growth forecast to 2.5 percent. The change was part of a broad revision in the 1981-85 economic strategy that followed the sluggish 1.5-percent growth recorded last year.

The OECD, however, said that the 14.5-percent inflation Yugoslavia officials now forecast for 1983-85 remains "on the low side" and that continued use of price controls works against the establishment of an effective anti-inflation policy.

The survey was completed before the Yugoslav government's decision last week to freeze all prices for the next six months.

The secretariat said Yugoslavia's inflation slowed to 28 percent in the first quarter of 1982 from 50 percent in early 1981 but cautioned that inflationary pressure may grow as real earnings expand more rapidly than the 20-percent goal set in the current economic plan. After lagging behind prices for about two years, net average earnings surged 34 percent in the year to early 1982, the OECD said.

The report also criticized official controls that have kept interest rates substantially below the inflation rate. Most lending rates were pegged at 8 percent early last year,

while inflation was above 50 percent, the report said.

Although the Yugoslav government has slowly been steering rates to market levels, further increases are needed if enterprises are to be subject to reasonable economic discipline in making their investment decisions, the OECD said.

The report said that relatively cheap credit combined with inadequate coordination among regional investment plans has often led to costly duplication in industrial development.

Included in the austerity measures announced last week by Yugoslavia is a provision to tighten consumer credit terms by raising down payments and eliminating some types of consumer loans.

Yugoslavia's economic troubles have created worries among Western bankers because the country has foreign debts of about \$19.3 billion.

### EIB Obtains Yen Loan From Japanese Banks

Reuters

TOKYO — The European Investment Bank has signed an agreement to borrow 25 billion yen (\$97 million) from 13 Japanese banks, the Industrial Bank of Japan said Wednesday.

The 12-year loan carries a fixed rate of 8.6 percent, according to Industrial Bank, which is lead manager of the credit. The loan brings the total of EIB syndicated yen borrowings to 105 billion yen since the first was signed in June, 1979.

### UN Agency Sees Economic Crisis In Poor Nations

United Press International

GENEVA — Developing nations are facing their worst economic crisis in 50 years as growth rates plunge and debts soar, the United Nations Conference on Trade and Development said Wednesday.

Poor countries that do not export oil had combined gross national product growth of just 1.5 percent in 1981, down from 4.9 percent in 1980, UNCTAD said in its trade and development report for 1982. "This severe economic setback," the UN agency said, was due to "the collapse of commodity prices," growing debts and higher interest rates.

The annual interest payments of developing countries increase by as much as \$2 billion for every percentage point rise in interest rates in the Eurocurrency markets," the report said.

Recession in Western industrial countries has brought stagnation in foreign aid payments and reduced demand for Third World goods, the agency said.

### Hong Kong Watch Dispute

Reuters

HONG KONG — The government is asking the General Agreement on Tariffs and Trade to convene a panel to consider the colony's complaints against French restrictions on imports of Hong Kong-made quartz watches and other products, the acting director of trade, Justin Yue, said Wednesday.

### EEC Warns of Quotas On Textile Imports

The Associated Press

BRUSSELS — The European Economic Community warned Wednesday it will unilaterally set import quotas on textiles from 13 nations — including its four "dominant suppliers" in Asia — unless their governments sign import agreements in September.

Horst Krenzler, the EEC's chief textile negotiator, said the EEC can legally do this by invoking the economic hardship provisions of the Geneva-based General Agreement on Trade and Tariffs.

The EEC's textile trade registered a deficit in 1980 of \$3.6 billion. "This deficit is rising despite a slight improvement in 1981," Mr. Krenzler said.

He said the EEC signed between mid-May and the end of July four-year textile trade agreements with 13 Asian, Latin American and East European supplier countries. Talks for similar accords with 22 other nations in the same areas plus North Africa, "have made significant progress," Mr. Krenzler said.

But he said he has until Sept. 24 to sign import contracts with 13 additional nations — including the "dominant suppliers" of Hong Kong, South Korea, Macao and the Philippines — that have to date rejected the EEC's proposed import restraints.

He indicated these agreements may not be signed in time and issued a warning of unilateral action. "We are very satisfied with the results obtained so far. But

very great difficulties await us during the month of September," Mr. Krenzler said.

He said there is little chance the EEC ministerial council, when faced with continued Asian opposition to the import cuts, "will change the [EEC] Commission's negotiating mandate because the economic situation is getting worse."

He termed the EEC's cheap textile suppliers in Asia "extremely difficult partners."

He said if there is no agreement with them by the end of September, "the unilateral measures by the EEC will be less favorable than [the import limits in] the agreements that have been signed."

Forty percent of the EEC's cheap textile imports originate in Hong Kong, Macao, South Korea and the Philippines. The EEC wants to reduce imports of five "sensitive products" — T-shirts, sweaters, trousers, shirts and blouses — from these countries by 12 percent.

The agreements the EEC already has signed and those expected to be signed soon are with nations from which the EEC gets half of its cheap textile imports.

These accords, Mr. Krenzler said, outline import limits in scores of different products as well as provisions to establish new import curbs over the next four years. The new agreements, according to one Commission official, allow for slightly larger import quotas than previous accords.

### Unemployment Higher in July In W. Germany

Reuters

BONN — West German unemployment rose to 1.76 million, or 7.2 percent of the work force, in July from 1.65 million or 6.8 percent in June, official figures showed Wednesday.

The figures were contained in official statistics, which the federal Labor Office is scheduled to publish later.

The Economics Ministry said Wednesday that manufacturing orders rose 1 percent in June.

The DIW Economic Institute said that West German productivity is expected to rise 3.5 percent in 1982 after increases of 2.5 percent in 1981 and an average 4.4 percent from 1971 to 1981. It said hourly wages are expected to rise an average 5 percent this year after increases of 7.5 percent in 1981 and 9.8 percent in the 1971-81 period.

### Malaysia to Mechanize Rubber-Tapping Gear

Reuters

KUALA LUMPUR — Malaysia plans to introduce a mechanized system that would enable a farmer to tap about 1,500 rubber trees daily, up from the usual 500, the controller of the Rubber Research Institute of Malaysia, B.C. Sekhar, said Wednesday.

He said that production of the battery-operated equipment is still being worked out with a Japanese company but that it will be available for use by year-end.

### Eurocurrency Interest Rates

Aug. 4

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
3 M.	13 1/4 - 13 1/2	8 1/2 - 8 3/4	3 1/2 - 3 3/4	11 1/2 - 11 3/4	15 1/2 - 15 3/4	11 1/2 - 11 3/4	11 1/2 - 11 3/4
6 M.	13 1/2 - 13 3/4	8 3/4 - 9 1/4	3 3/4 - 4 1/4	11 3/4 - 12 1/4	15 3/4 - 16 1/4	11 3/4 - 12 1/4	11 3/4 - 12 1/4
1 Y.	13 3/4 - 14 1/4	9 1/4 - 9 3/4	4 1/4 - 4 3/4	12 1/4 - 12 3/4	16 1/4 - 16 3/4	12 1/4 - 12 3/4	12 1/4 - 12 3/4

Are you looking for a high yield, maximum liquidity and minimum risk?

Are you now earning market rates on your short term liquidity?

Would you like to secure wholesale interest rates on retail deposits?

If the above questions matter to you

### INTERNATIONAL INCOME FUND

offers a choice of 3 investment opportunities:

Short Term 'A' Units, exclusively invested in US\$ money market instruments for maturities of less than 12 months.

Short Term 'B' Units, invested in money market instruments denominated in the SDR currencies and Swiss Francs for maturities of less than 12 months. These units offer a balanced currency approach. Income on both 'A' and 'B' Units accrues daily. You can redeem units on any business day. Redemption proceeds are paid within five business days and will include full interest for that period.

Long Term Units, representing a balanced portfolio of Eurobonds and Euroconvertibles. Income is paid annually and units can be redeemed every week at net asset value, less 1%.

Trustee: Midland Bank Trust Company (Channel Islands) Limited  
Administrative Agent: EBC Trust Company (Jersey) Ltd., Jersey  
Investment Advisor: European Banking Company Limited, London.

Send for full details to:  
EBC Trust Company (Jersey) Ltd., 28 Hill Street, St. Helier, Jersey, C.I. Tel: 0534 36281  
Please send full information to:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Country \_\_\_\_\_

Subscriptions are only valid if made on the basis of the current explanatory memorandum, supplemented by either the last Annual Report or the last Interim Report, whichever is the more recent. The Legal Notice has been deposited with the Chief Registrar of the District Court of Luxembourg where such documents are available for inspection and where copies thereof can be obtained on request. Daily prices are published in this newspaper under "International Funds".

New Issue  
August, 1982

This advertisement appears as a matter of record only.

## ONTARIO HYDRO Toronto, Canada U.S.\$ 150,000,000

15% U.S. Dollar Bearer Bonds Due August 5, 1992

irrevocably and unconditionally guaranteed by the  
PROVINCE OF ONTARIO (CANADA)

Deutsche Bank  
Aktiengesellschaft

Wood Gundy Limited

Union Bank of Switzerland (Securities)  
Limited

Swiss Bank Corporation International  
Limited

McLeod Young Weir International  
Limited

Salomon Brothers International

S.G. Warburg & Co. Ltd.

Alahli Bank of Kuwait (K.S.C.)

Algemeine Bank Nederland N.V.

Amro International  
Limited

Arab Banking Corporation (ABC)

Arnhold and S. Bleichroeder, Inc.

Atlantic Capital  
Corporation

Bache Halsey Stuart Shields  
Incorporated  
Banca del Gottardo

Baden-Württembergische Bank  
Aktiengesellschaft  
Banca di Roma per la Svizzera

Julius Baer International  
Limited

The Bank of Bermuda  
Limited  
Bank Lou International Ltd.

Bank für Gemeinwirtschaft  
Aktiengesellschaft  
Bank Mees & Hope NV

Bank of America International  
Limited

Banque Bruxelles Lambert S.A.  
Banque Indosuez  
Banque de Neufchâtel, Schlumberger, Mallet  
Banque de l'Union Européenne

Banque Française du Commerce Extérieur  
Banque Internationale à Luxembourg S.A.  
Banque Paribas  
Banque Worms

Bank Gutzwiller, Kurz, Bungeger (Overseas)  
Limited  
Bank of Tokyo International  
Limited

H. Albert de Bary & Co. N.V.

Bayerische Hypothek- und Wechsel-Bank  
Aktiengesellschaft  
Bell Gouinlock  
Limited

Banque Générale du Luxembourg S.A.  
Banque Nationale de Paris  
Banque Populaire Suisse S.A. Luxembourg  
Baring Brothers & Co.,  
Limited

Bayerische Vereinsbank  
Aktiengesellschaft  
Berliner Bank  
Aktiengesellschaft  
Burns Fry  
Limited

Berliner Handels- und Frankfurter Bank  
Cazenove & Co.

Bayerische Landesbank  
Girozentrale  
Joh. Berenberg, Gossler & Co.

Chemical Bank International  
Limited  
Citicorp International Bank  
Limited  
County Bank  
Limited  
Crédit du Nord

Christiania Bank og Kreditkasse  
Commerzbank  
Aktiengesellschaft  
Crédit Industriel d'Alsace et de Lorraine

B.S.I. Underwriters  
Limited  
Chase Manhattan  
Limited  
CIBC Limited

Daiwa Europe Limited

Credit Suisse First Boston  
Limited  
DeBorck & Co.

Continental Illinois  
Limited  
Crédit Industriel et Commercial

DG Bank  
Deutsche Genossenschaftsbank  
Dresdner Bank  
Aktiengesellschaft  
Eurobank S.p.A.

Dillon, Read Overseas Corporation  
Drexel Burnham Lambert  
Incorporated  
European Banking Company  
Limited

Creditanstalt-Bankverein  
Deutsche Girozentrale  
Deutsche Kommunalbank  
—  
Dominion Securities Ames  
Limited

Antony Gibbs & Sons  
Limited

Girozentrale und Bank  
der österreichischen Sparkassen  
Aktiengesellschaft  
Groupement des Banquiers Privés Genevois

Effectenbank-Warburg  
Aktiengesellschaft  
Gefina International  
Limited  
Goldman Sachs International Corp.

Greenshields  
Incorporated  
Handelsbank N.W. (Overseas)  
Limited  
Industriebank von Japan (Deutschland)  
Aktiengesellschaft  
Kreditbank N.V.

Heessche Landesbank  
—  
Girozentrale  
—  
Kijder, Peabody International  
Limited  
Kreditbank S.A. Luxembourgeoise

Hambros Bank  
Limited  
E.F. Hutton International Inc.  
Kleinwort, Benson  
Limited  
Kuwait International Finance Co. S.A.K.  
"KIFCO"

Kuwait Investment Company (S.A.K.)

Landesbank Rheinland-Pfalz  
Girozentrale  
—  
LTCB International  
Limited

Lazard Frères et Cie  
Manufacturers Hanover  
Limited  
B. Metzler seel. Sohn & Co.  
Morgan Grenfell & Co.  
Limited

Lehman Brothers Kuhn Loeb  
International, Inc.  
Merck, Finck & Co.  
Midland Doherty  
Limited

Merrill Lynch International & Co.  
Samuel Montagu & Co.  
Limited  
Morgan Stanley International  
The Nikko Securities Co., (Europe) Ltd.

National Bank of Abu Dhabi  
Nomura International Limited  
Österreichische Länderbank  
Aktiengesellschaft  
Pierson, Hidding & Pierson N.V.

Norddeutsche Landesbank  
Girozentrale  
Sal. Oppenheim Jr. & Cie.

Nordic Bank  
Limited  
Orion Royal Bank  
Limited  
Privatbanken A/S

Richardson Securities of Canada (U.K.)  
Limited  
Schröder, Münchmeyer, Hengst & Co.  
Limited

Pfafffeld Maskey Ross  
Limited  
Rovis & Pittman

J. Henry Schroder Wagg & Co.  
Limited  
Standinaviska Enskilda Banken

Smith Barney, Harris Upham & Co.  
Incorporated  
Société Générale de Banque  
Svenska Handelsbanken  
J. Vontobel & Co.

Singer & Friedlander  
Limited  
Société Générale  
Strauss, Turnbull & Co.  
Trinkaus & Burkhart

Société Générale de Banque S.A.  
Sumitomo Finance International  
Vareins- und Westbank  
Aktiengesellschaft

Westdeutsche Landesbank  
Girozentrale

M.M. Warburg-Brinckmann, Wirtz & Co.

Long-term financing to  
meet the needs of industry  
is the specialty of LTCB.

Timely services are  
extended through an  
international network.

Corporate financing,  
project financing — LTCB  
is experienced in all forms  
of wholesale banking.

Business can be  
a lot more efficient  
with LTCB as a partner.

## THE LONG-TERM CREDIT BANK OF JAPAN, LTD.

Head Office: Otomachi, Tokyo, Japan Tel: 211-5111 Telex: J24308 London Branch: 3 Lombard Street, London EC3V 9AH, U.K.  
Tel: 623-9511 Telex: 885305 New York Branch: 140 Broadway, New York, N.Y. 10005, U.S.A. Tel: 797-1170 Telex: 425722  
Los Angeles Agency: 707 Wilshire Boulevard, Los Angeles, California 90017, U.S.A. Tel: 488-1766 Telex: 673558  
Singapore Branch: Suite 2201/2204, OCBC Centre, Chulia Street, Singapore 0104 Tel: 919633 Telex: 23813  
Amsterdam, Sydney, São Paulo, Frankfurt, Paris, Toronto, Mexico City, Bahrain, Jakarta, Rio de Janeiro, Bangkok, Panama  
LTCB International Ltd. (London), LTCB Asia Ltd. (Hong Kong), LTCB (Schweiz) AG (Zürich), NEB S.A. (Bruxelles)











**P E A N U T S**

I WONDER WHAT THE REST OF OUR TEAM WILL SAY WHEN THEY FIND OUT WE HAVE NO PLACE TO PLAY...

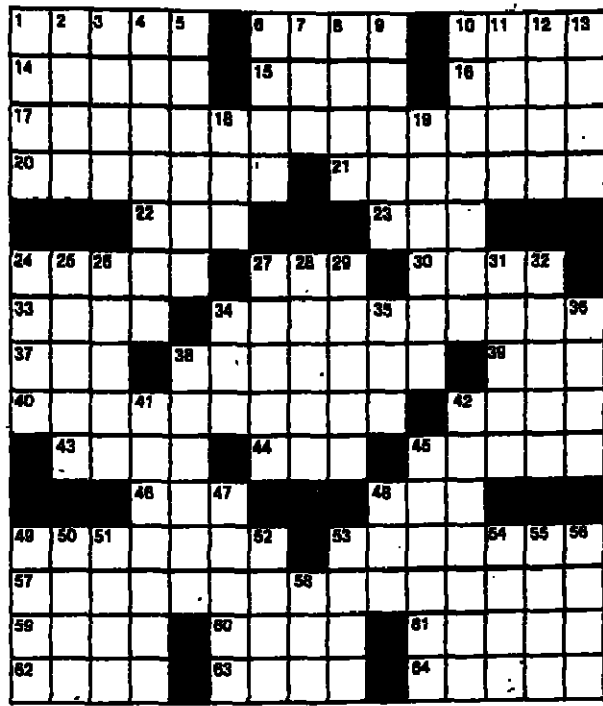
SOME OF THEM WON'T EVEN KNOW THE DIFFERENCE

WE HAVE ONE PLAYER WHO CAN'T TELL THE FIRST INNING FROM THE LAST INNING...

I FIND THAT HARD TO BELIEVE

HEY, WHAT INNING IS IT?

© 1985 United Feature Syndicate, Inc.



ASA. rodents	spaces	19 Sinyr
Sting a	48 Some rwyas.	24 Serb or Croat
customer	49 A. Huskey's	25 Assume as fact
Napoleon won	"Ape and	26 Rhone feeder
here: 1796		27 Kind of
Op.	53 Book of the	geometry
Othello's	Bible	28 Hungarian
deceiver	57 Spenser's	hero
Son of Seth	Giorgiana	29 Literary
Beckett	59 Tailchief's	celebrities
tragicomedy	skirt	31 Fed the pot
Microchip	60 "French resort,	32 Simon's
element	61 Pas de deux	"Plaza,"
Dives	62 Bibliographic	34 Swindle
Approved, for	abbr.	35 Cricket term
short	63 Numerical	36 Cicatrix
— Dinh	ending	38 Congress of
Diem of S.	64 Michigan	—: 1814-15
Vietnam	lemon	41 Merry
Nettle some	<b>DOWN</b>	42 Dupe
Magjie	1 Church	45 Debussy
Pâté de fois	benches	47 Bouquet
	2 Range in	48 Marquand's
	Russia	"H. M.
	3 Plaster	Pulham, —"
	overhead	49 Diminutive
	4 Words'	suffix
	outdoors	50 Close
Ben Jonson	5 Like resin	51 Bristle
comedy	6 Omen	52 Clinton's canal
Spasm	7 Lout	53 Hammer, in a
Theackeray	8 Excited	way
book, with	9 Sacred book of	54 Bo and other
"The"	Islam	beauties
After: Prefix	10 Verdi heroine	55 Noun ending
Psychic	11 Wavy, in	56 Part of
affinity	heraldry	piscatorial
Dental degree	12 — die	paraphernalia
Applejack	13 — dies	58 Diamonds:
ingredient	14 Adherents	Slang

	HIGH			LOW				HIGH			LOW		
	C	F	C	F	C	F		C	F	C	F	C	F
ALGARVE	29	84	23	73	Fair		LOS ANGELES	29	81	19	64	Fair	
ALGERIES	29	84	23	73	Cloudy		MADRID	29	84	15	59	Fair	
AMSTERDAM	29	84	16	61	Fair		MANILA	30	86	25	77	Rain	
ANKARA	24	75	12	54	Cloudy		MEXICO CITY	30	86	12	54	Cloudy	
ANTWERP	29	84	16	61	Fair		MILWAUKEE	29	84	19	64	Cloudy	
AUCKLAND	14	57	10	50	Showers		MILAN	26	79	17	63	Cloudy	
BANGKOK	32	90	25	77	Fair		MONTREAL	22	73	9	48	Cloudy	
BEIRUT	-	-	-	-	Rain		MOSCOW	22	73	14	57	Cloudy	
BERMUDA	22	72	17	63	Fair		MURKIN	29	84	24	75	Cloudy	
BERLIN	31	88	20	68	Cloudy		NAIROBI	31	87	13	55	Overcast	
BOSTON	22	72	16	61	Cloudy		NASAU	32	90	24	75	Cloudy	
BRUSSELS	29	84	16	61	Cloudy		NEW DELHI	34	93	27	81	Showers	
BUCHAREST	27	84	16	61	Cloudy		NEW YORK	28	82	20	68	Cloudy	
BUDAPEST	25	77	19	66	Showers		NICE	25	77	19	66	Cloudy	
BUENOS AIRES	15	59	5	41	Fair		OSLO	30	86	16	61	Fair	
CAIRO	29	84	16	61	Cloudy		PARIS	23	73	16	61	Overcast	
Cape TOWN	12	54	6	43	Fair		PERKINS	29	84	23	73	Fair	
CASABLANCA	27	80	14	57	Cloudy		PHOENIX	30	86	23	73	Overcast	
CHICAGO	32	90	24	75	Cloudy		REYKJAVIK	15	59	10	50	Overcast	
COPENHAGEN	29	84	16	61	Cloudy		RIO DE JANEIRO	21	70	15	59	Overcast	
COSTA DEL SOL	28	82	18	64	Fair		ROME	31	87	24	76	Overcast	
DAMASCUS	34	93	28	82	Fair		SAO PAULO	27	81	63	9	Fair	
DUBLIN	20	68	15	59	Cloudy		SEOUL	30	86	25	77	Fair	
EDINBURGH	25	77	15	59	Fair		SHANGHAI	32	90	26	79	Showers	
FLORENCE	30	86	18	64	Fair		SINGAPORE	30	86	25	77	Cloudy	
FRANKFURT	23	73	17	63	Overcast		STOCKHOLM	28	82	16	61	Fair	
GENEVA	20	68	16	61	Overcast		SYDNEY	18	63	18	63	Fair	
HARARE	27	80	17	63	Fair		TAIPEI	31	87	24	75	Overcast	
HELINKINKI	28	82	12	54	Cloudy		TEL AVIV	34	93	24	75	Fair	
HONG KONG	31	88	26	79	Cloudy		TOLEDO	29	84	24	75	Overcast	
HOUSTON	29	84	16	61	Cloudy		TUNIS	34	93	24	75	Overcast	
ISTANBUL	25	77	19	66	Cloudy		VENICE	28	82	17	63	Fair	
JERUSALEM	29	84	14	57	Fair		VIENNA	29	79	19	66	Rain	
LAS PALMAS	25	77	19	66	Fair		WARSAW	24	75	17	63	Cloudy	
LIMA	14	57	10	50	Overcast		WASHINGTON	34	93	23	73	Cloudy	
LISBON	28	82	17	63	Fair		ZURICH	22	73	15	59	Showers	
LONDON	27	81	17	63	Overcast								

Readings from the previous 24 hours.

[illegible]

**SIX ARMIES IN NORMANDY**  
From D-Day to The Liberation of Paris, June 6th-August 25th,  
1944.  
By John Keegan. 365 pp. \$17.95  
Viking, 625 Madison Ave., New York, N.Y. 10022.

JOHN KEEGAN writes about war better than almost anyone in our century. He is better than those gifted masters of military history, B.H. Liddell Hart and S.L.A. Marshall. If he is not so good as Samuel Eliot Morison, it is because Keegan writes about soldiers and Morison writes about ships. The difference is that of prose and poetry, and Keegan is Proust in a fox-hole.

In 1975 he wrote a sensationally good book, *"The Face of Battle."* This was an elegantly researched, highly original study of three famous battles — Agincourt, Waterloo, and the Somme — which explored the "predicament" of the individual soldier: how he fought, lived, died or went mad "at the point of maximum danger." Now a second book, *"The Armies of the Dawn,"* examines the predicament from a different angle of vision, that of men concentrated into armies — national institutions which resemble each other but which are all different because "each is also a mirror of its own society and its values, in some places and at some times an agent of national pride or a bulwark against national fears, or perhaps even the last symbol of the nation itself."

The six armies fought in a single campaign, that victorious Allied thrust into occupied Western Europe in 1944. Keegan considers in succession the U.S. airborne troops that dropped behind the landing beaches on D-Day eve, the Canadian infantry that land-

ed the last shot fired was drowned in the sighs of the world's relief in August 1945."

In that corner, the boy Keegan explored the "secret world of the English countryside" in "the last days, know it though I could not, of a thousand years of heavy-horse farming. He might never have known there was a war on at all except for the petrol rationing and the night his parents switched on the house lights. The Bristol burning, glanced by the "bastard eye" of the Luftwaffe. Into this backwater arrived the Yanks, in their "magnificent, gleaming, olive-green, pressed-steel, four-wheel-drive juggernauts" and their "jeeps, caparisoned with whiplash aerials and strident canvas hoods which drummed with the rhythm of a cowboy's saddlebags riling and falling to the canter of his horse across the prairie." The occupants of these marvelous vehicles showed Hershey as good as the schoolboys at the side of the country lanes. "I reflected as I crammed the spool into my pockets, something going on in the west of England about which Hitler should be very worried indeed."

After this glowing, very personal overture, Keegan surveys the politics and personalities that led up to the invasion — old stuff to armchair generals. Cameo sketches of Stilwell, Wedemeyer, Eisenhower, Molotov, Marshall, Brooke, Montgomery and Rommel serve to explain some facets of grand strategy.

ed in the teeth of the German beach defenses, the English and Scottish infantry and armor that fought to open a corridor out of the bridgehead, the German panzer divisions that tried to push the Allies into the sea, the Polish coast regiment fighting within the British Army, and the Free French armored units that were allowed to lead the Allies into Paris. Keegan puts his finger on the distinguishing *esprit* of each of these formations, displaying his incomparable knowledge of two millennia of war-making in Western society.

We are, of course, on familiar ground with D-Day: we have seen all the film documentaries and read and seen Cornelius Ryan's "The Longest Day." But with Keegan we are aware on almost every page of the difference between the "D-Day" that ancient France chronicled by Joinville and Froissart, with its chateaux and villages, its apple orchards and *cabarets*, its abbey church at Caen built by William the Conqueror and made of the same stone as the Tower of London and Westminster Abbey. We are also aware of the kind of war that Europeans wage so ferociously. Keegan doesn't quote him, but it is the kind of war that F. Scott Fitzgerald wrote about in "Tender Is the Night":

... twenty-five' (pushups) and endless hubba-hubbas ('hurry, hurry' in what the drill instructors inexplicably believed to be Hebrew) of airborne training, had jumped in practice, by day and night a dozen times and were now ready to try the real thing." Billed on the Berkshire Downs, the men of the 101st Airborne spent their free time gambling and fighting with the Tommies for the company of local girls. When the paratroopers marched out to the drop sites in early May, the locals knew right away that they were going to the real thing and not to a rehearsal. "It got me to see them cry and take it as they did," recalled a lieutenant years later.

The world will never see such an air-

"See that little stream — we could walk to it in two minutes. It took the British a month to walk to it. . . . The whole empire walked to it, weary, dying in hunger and pushing forward behind. And another empire walked very slowly backward a few inches a day, leaving the dead like a million bloody rugs. . . . This took religion and years of plenty and tremendous sureties and the exact relation that existed between the classes. . . . You had to have a whole-souled sentimental equipment going back further than you could remember. You had to remember the love of your Prince and his fiancée, and little cafes in Valence and beer gardens in Unter den Linden and weddings at the mairie, and going to the Derby, and your grandfather's whiskers. . . . Why, this was a love battle — there was a century of middle-class love spent here."

Keegan is passionately familiar with this kind of war, in its last and

most destructive manifestation, but from a distance. "I had a good war," he begins disarmingly. [This is not a phrase to be written, still less spoken with any complacency, because it has been on clouds of *bonhomie* in saloon bars from one end of the Home Counties to the other during the last 30 years. But in my case it is accurate none the less: the good war not of a near-warrior at the safe end of one of the summer theatres of operations, but of a small boy whisked from London at the first wail of the sirens to a green and remote corner of the west of Eng-

Since we know the result of the battle, the degree of suspense is not high. The merit of "Six Armies in Normandy" lies entirely in the skill and ingenuity with which Keegan interweaves narration with analysis. As with the best history, it is not so much that we learn new facts as that we look at the old facts in an entirely new way.

Keegan's relation of D-Day and the immediate days following arrests is not the definitive history of that famous campaign. But his grasp of the scene and angle of vision will rank his book among the minor classics of military history, a book to read and reread.

**Solution to Previous Puzzle**

Reid Beddow is a writer and editor living in Washington. He wrote this review for The Washington Post.

**Carrier Intrepid in Museum**  
*The Associated Press*  
**NEW YORK** — The aircraft carrier Intrepid, which served in three wars and was an astronaut recovery ship in the 1960s, is now docked in the Hudson River and was opened this week as a sea, air and space museum. The ship was decommissioned in 1974.

# JUDGE

and the ace was the third and final trick for the declarer. East won the heart continuation and cashed two spade winners before playing the diamond jack.

NORTH  
 30853  
 10875  
 84  
 7105  
 WEST EAST

♠A  
 ♥64  
 ♦AQ76  
 ♣K87432

♠KQ742  
 ♥KQ2  
 ♦J1053  
 ♣Q

SOUTH (D)

♠ J98  
♥ A J 9 3  
♦ K 8 2  
♣ A 5 5

East and West were vulnerable. The bidding:

South	West	North	East
14	Pass	Pass	Dis
Pass	Pass	Pass	

B. C.

Panel 1:  
B. C. I'D LIKE SOME OKRA, SOME COLLARD GREENS AND SOME BLACK-EYED PEAS.  
YES, SIR!  
FRUITS AND VEGETABLES

Panel 2:  
HOW 'BOUT A COUPLE OF NICE APPLES TO GO WITH THOSE?

Panel 3:  
YOU GOT ANY SOUTHERN SPIES?  
FRUITS AND VEGETABLES

**BLONDIE**

DAGWOOD, AS MY OFFICE MANAGER YOU NEED TO BE A LEADER

AND IN ORDER TO BE A LEADER THERE'S SOMETHING YOU SHOULD KNOW

WHEN TALKING TO OUR EMPLOYEES, ALWAYS USE THREATS

NOW GET BACK TO WORK OR YOU'RE FIRED!

YOUNG FOGSHEER

85

DOES OTTO DO ANY TRICKS?

SURE

FETCH, OTTO!

DOES BEEFLE DO ANY TRICKS?

Moss Walker

ANDY CAPP

© 1989 Star Group. Reprinted by LSI  
Dallas, Texas. All Rights Reserved. LSI, Inc.

ANDY LOOKS SHATTERED THIS MORNIN', FLO

HE WAS AT HIS REGIMENTAL REUNION LAST NIGHT — REAL HEAVY WORK

HEAVY WORK?

YEAH, YOU KNOW — DIGGIN' UP THE PAST

YOUR  
APPOINTMENT  
SECRETARY

I'VE ARRANGED A JOINT LUNCHEON  
FOR YOU WITH THE MEDICAL SOCIETY  
AND THE TOBACCO INSTITUTE

YOU LEFT  
OUT THE TEN  
O'CLOCK  
MEETING

THE  
INTERVIEW  
FOR A NEW  
APPOINTMENT  
SECRETARY

©1982 Encanto, Inc. 1982

**DOONESBURY**

JOANIE, I KNOW  
INNOCENCE IS A  
SORRY PROCEDURE,  
BUT...

IT'S NOT JUST  
THAT, RICK.  
I'M WORRIED  
ABOUT WHAT  
THE DOCTOR  
MIGHT FIND.

WHAT IF THERE'S SOMETHING WRONG?  
WHAT IF WE'RE FACED WITH A HORRIBLE  
DECISION? I'M TELLING YOU, RICK, PREG-  
NANCY AFTER 40 IS FOR  
THE BIRDS! I HOPE YOU  
APPRECIATE WHAT I'M  
GOING THROUGH!

HAVING MY  
BARABY! WHAT  
A LOVELY DAY  
JUST SHOW...

I THINK  
I'LL MONET  
NEW YORK  
AND HAVE IT  
BY MYSELF.

## JUMBLE.


THAT SCRAMBLED WORD GAME  
by Henri Amick and Bob Lee

Unscramble these four jumbles,  
one letter to each square, to form  
four ordinary words.

NOVEM

YURRC

## DENNIS THE MENACE



**PRAUPE**

□ □ □ □ □ ○ □


  

**ENFLOY**

□ ○ □ □ □ □ □


Print answer here: ○ ○ ○ ○ ○ □ THE □

(Answers tomorrow)



HOW TO MAKE  
VARNISH DISAPPEAR.

Now arrange the orded letters to  
form the surprise answer, as sug-  
gested by the above cartoon



1. Jumbles: GOING FLUKE BEFALL CORRAL

2. Jumbles: GOING FLUKE BEFALL CORRAL

3-5

\* HAVE WIFE GET ANY BIRTH RECORDS & 1 WEEK SOMETHING

By Alan Truscott

IN standard American bidding, a prepared club opening with a three-card suit can lead to difficulties when the responding hand is very weak. He will normally pass, and the problems begin if the fourth player reopens with a double. One club doubled may become the final contract, and neither opener nor his partner can be sure whether it is right to retreat to another suit.

North-South stood their ground in this situation, and had to play with six

A hot defense held South to three tricks.

A trump was led to the queen and ace. South had no good play, and he

chose to return a trump. West won and made the key play of cashing the spade ace before leading a third trump.

and the ace was the third and final trick for the declarer. East won the heart continuation and cashed two spade winners before playing the diamond jack.

**NORTH**

♠ 10853  
♥ 10875  
♦ 94  
♣ J105

<p style="text-align: center;"><b>WEST</b></p> <p>♠ A ♥ 64 ♦ AQ76 ♣ K87432</p>	<p>     </p>	<p style="text-align: center;"><b>EAST</b></p> <p>♠ KQ743 ♥ KQ2 ♦ J10853 ♣ Q</p>
--	--------------	--

**SOUTH (D)**  
 ♦ J98  
 ♣ AJ93  
 ♦ K82  
 ♠ A55  
 East and West were vulnerable. The

South	West	North	East
1st	Pass	Pass	Pass
Pass	Pass	Pass	Pass

100







